U-Store-It Trust
Form S-11/A
September 22, 2005

As filed with the Securities and Exchange Commission on September 22, 2005

Registration No. 333-128261

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

Amendment No. 1
to
FORM S-11
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

U-Store-It Trust
(Exact Name of Registrant as Specified in Governing Instruments)
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(440) 234-0700
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a), may determine.

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Subject to Completion, dated September 21, 2005

PROSPECTUS

15,000,000 Shares
Common Shares

U-Store-It Trust is a self-administered and self-managed real estate company focused on the ownership, operation, acquisition and development of self-storage facilities. This is a public offering of 15,000,000 of our common shares. We will receive all of the cash proceeds from the sale of these shares.

Our common shares are listed on the New York Stock Exchange under the symbol YSI. On September 20, 2005, the last reported sales price of our common shares on the New York Stock Exchange was $20.70 per share.

We are organized as a real estate investment trust, or *REIT,* under Maryland law, and we believe that we qualify for taxation as a REIT for federal income tax purposes beginning with our short taxable year ended December 31, 2004.

Investing in our common shares involves risks. See Risk Factors beginning on page 18 of this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds to us (before expenses)	$	$

We have granted the underwriters a 30-day option to purchase up to an additional 2,250,000 common shares from us on the same terms and conditions as set forth above if the underwriters sell more than 15,000,000 common shares in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Lehman Brothers, on behalf of the underwriters, expects to deliver the common shares on or about , 2005.

Lehman Brothers

Citigroup **Wachovia Securities**
A.G. Edwards **Raymond James**
Banc of America Securities LLC **KeyBanc Capital Markets** **Harris Nesbitt**

, 2005

No dealer, salesperson or other individual has been authorized to give any information or make any representation not contained in this prospectus in connection with the offering made by this prospectus. If given or made, such information or representations must not be relied upon as having been authorized by us or any of the underwriters. This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of our securities in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. Neither the delivery of this prospectus nor any sale made hereunder shall, under any circumstances, create an implication that there has not been any change in the facts set forth in this prospectus or in the affairs of our company since the date of this prospectus.

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You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized anyone to provide you with different information. This prospectus may only be used where it is legal to sell these securities. The information in this prospectus may only be accurate on the date of this prospectus.

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SUMMARY

This is only a summary and does not contain all of the information that you should consider before investing in our common shares. You should read this entire prospectus, including Risk Factors and our financial statements and related notes appearing elsewhere in this prospectus, before deciding to invest in our common shares. In this prospectus, unless the context suggests otherwise, references to our company, we, us, and our mean U-Store-It Tru U-Store-It, L.P. and their subsidiaries, including their predecessor entities. Unless indicated otherwise, references to the Self-Storage Almanac mean the 2005 Self-Storage Almanac published by MiniCo, Inc. Unless indicated otherwise, the information included in this prospectus assumes no exercise by the underwriters of the over-allotment option to purchase up to an additional 2,250,000 common shares.

Our Company

We are a self-administered and self-managed real estate company focused on the ownership, operation, acquisition and development of self-storage facilities in the United States. We are one of the largest owners and operators of self-storage facilities in the United States. As of July 31, 2005, we owned 308 self-storage facilities located in 25 states and aggregating approximately 18.9 million rentable square feet.

Our self-storage facilities are designed to offer affordable, easily-accessible and secure storage space for residential and commercial customers. Our customers rent storage units for their exclusive use, typically on a month-to-month basis. Our facilities are specifically designed to accommodate both residential and commercial customers, with features such as security systems and wide aisles and load-bearing capabilities for large truck access. Our customers can access their storage units during business hours, and some of our facilities provide customers with 24-hour access through computer controlled access systems. Our goal is to provide our customers with the highest standard of facilities and service in the industry.

We were formed to succeed to the self-storage operations owned directly and indirectly by Robert J. Amsdell, our Chairman and Chief Executive Officer, Barry L. Amsdell, one of our trustees, Todd C. Amsdell, our Chief Operating Officer, and their affiliated entities and related family trusts (which entities and family trusts are referred to herein collectively as the *Amsdell Entities*). The Amsdell family has been involved in the development, ownership and management of real estate in a variety of property types for over 70 years, and has been involved in the self-storage industry for over 30 years. During the 30 year period prior to our initial public offering, or *IPO,* Robert J. Amsdell and Barry L. Amsdell acquired, developed or redeveloped more than 200 self-storage facilities for themselves and others in the industry.

We are organized as a REIT under Maryland law, and we believe that we qualify for taxation as a REIT for federal income tax purposes beginning with our short taxable year ended December 31, 2004. We commenced operations as a publicly-traded REIT in October 2004 after completing the mergers of certain Amsdell Entities with and into us, our IPO and the consummation of various other formation transactions which occurred concurrently with, or shortly after, completion of our IPO.

We conduct all of our business through U-Store-It, L.P., our *operating partnership,* of which we serve as general partner, and its subsidiaries. As of July 31, 2005, we held approximately 87.8% of the aggregate partnership interests in our operating partnership. Since its formation in 1996, our operating partnership has been engaged in virtually all aspects of the self-storage business, including the development, acquisition, ownership and operation of self-storage facilities.

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Developments Since Our IPO

Acquisitions Completed Through July 31, 2005

From the time of our IPO through July 31, 2005, we completed the acquisitions of 154 facilities totaling approximately 9.0 million rentable square feet. The aggregate cost of these acquisitions was approximately $580 million. The following table sets forth certain summary information regarding these acquisitions.

Acquisitions Since IPO
(through July 31, 2005)

Facility/Portfolio	Acquisition Closing	Total Rentable Square Feet	Number of Units	July 31, 2005 Occupancy(1)	Total Number of Facilities	Number of Facilities: Top Targeted Markets: IL	OH	TX	CA	FL	CT	CO	NY	NJ	Other States	Purchase Price (000 s)
National Self Storage Portfolio	July 2005	3,742,582	32,939	86.1%	70			15	11			5			39	$ 212,000
Metro Storage Portfolio	October 2004	2,600,958	22,901	78.3%	42	24	4			4					10	184,000
Liberty Self-Stor Portfolio(2)	April 2005	908,609	7,022	79.7%	17		14						3			33,400
Individual Facility and Small Portfolio Acquisitions	Various	1,547,408	12,961	86.0%	22	2		2		4	9		1	1	3	133,450
Option Facilities	Various	238,976	2,033	88.6%	3				1	2						17,400
Total Completed Acquisitions		**9,038,533**	**77,856**	**83.3%**	**154**	**26**	**18**	**17**	**12**	**10**	**9**	**5**	**4**	**1**	**52**	**$ 580,250**

(1) Represents occupied square feet divided by total rentable square feet, as of July 31, 2005.

(2) Information excludes the one facility from this portfolio subsequently sold by us in June 2005.

Set forth below is a discussion of each of the acquisitions completed from the time of our IPO in October 2004 through July 31, 2005.

Acquisition of National Self Storage Portfolio. On July 26, 2005, we completed the acquisition of 70 self-storage facilities from various partnerships and other entities affiliated with National Self Storage and the Schomac Group, Inc., or *National Self Storage,* for an aggregate purchase price of approximately $212.0 million. The purchase price consisted of approximately $61.5 million of units in our operating partnership (consisting of approximately 8.6% of the units in our operating partnership as of July 31, 2005), the assumption of approximately $80.8 million of outstanding debt by our operating partnership, and approximately $69.7 million in cash. These facilities total approximately 3.7 million rentable square feet and includes self-storage facilities located in our existing markets in Southern California, Arizona and Tennessee and in new markets in Texas, Northern California, New Mexico, Colorado and Utah.

Acquisition of Metro Storage Portfolio. On October 27, 2004, we acquired 42 self-storage facilities from Metro Storage LLC for an aggregate purchase price of $184.0 million. These facilities total approximately 2.6 million rentable square feet and are located in Illinois, Indiana, Florida, Ohio and Wisconsin.

Acquisition of Liberty Self-Stor Portfolio. On April 5, 2005, we acquired 18 self-storage facilities from Liberty Self-Stor Ltd., a subsidiary of Liberty Self-Stor, Inc., for an aggregate purchase price of $34.0 million. These facilities total approximately 926,000 rentable square feet and are located in Ohio and New York. On June 15, 2005, we sold one of these facilities, containing approximately 17,000 rentable square feet, for approximately $0.6 million.

Individual Facility and Small Portfolio Acquisitions.

Acquisition of Ford Storage Portfolio. On March 1, 2005, we acquired five self-storage facilities from Ford Storage for an aggregate purchase price of $15.5 million. These facilities total approximately 258,000 rentable square feet and are located in central Connecticut.

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Acquisition of A-1 Self Storage Portfolio. On March 15, 2005, we acquired five self-storage facilities from A-1 Self Storage for an aggregate purchase price of approximately $21.7 million. These facilities total approximately 201,000 rentable square feet and are located in Connecticut. We now operate two of these facilities as one facility. On May 5, 2005, we acquired an additional self-storage facility from A-1 Self Storage for approximately $6.4 million. This facility contains approximately 30,000 rentable square feet and is located in New York.

Acquisition of Extra Closet Facilities. On May 24, 2005, we acquired two facilities from Extra Closet for an aggregate purchase price of approximately $6.8 million. These facilities total approximately 99,000 rentable square feet and are located in Illinois.

Acquisition of Dania Beach, FL Facility. On November 1, 2004, we acquired one self-storage facility, located in Dania Beach, FL, for a purchase price of approximately $13.9 million. This facility contains approximately 264,000 rentable square feet.

Acquisition of Frisco I & II, TX and Ocoee, FL Facilities. In April 2005, we acquired three self-storage facilities, two located in Frisco, TX and one in Ocoee, FL, for an aggregate purchase price of approximately $14.9 million. These facilities total approximately 199,000 rentable square feet.

Acquisition of Bradenton II, FL and West Palm Beach II, FL Facilities. On October 28, 2004, we acquired two self-storage facilities, one located in Bradenton, FL and one in West Palm Beach, FL, for an aggregate purchase price of approximately $18.2 million. These facilities total approximately 182,000 rentable square feet.

Acquisition of Clifton, NJ Facility. On July 15, 2005, we acquired one self-storage facility, located in Clifton, NJ, for a purchase price of $16.8 million. This facility contains approximately 106,000 rentable square feet.

Acquisition of Gaithersburg, MD Facility. On January 14, 2005, we acquired one self-storage facility, located in Gaithersburg, MD, for a purchase price of approximately $10.7 million, consisting of $4.3 million in cash and the assumption of $6.4 million of indebtedness. This facility contains approximately 87,000 rentable square feet.

Acquisition of California, MD Facility. On November 1, 2004, we acquired one self-storage facility, located in California, MD, for a purchase price of approximately $5.7 million. This facility contains approximately 68,000 rentable square feet.

Acquisition of Tempe, AZ Facility. On July 11, 2005, we acquired one self-storage facility, located in Tempe, AZ, for a purchase price of approximately $2.9 million. This facility contains approximately 54,000 rentable square feet.

Acquisitions of Option Facilities. In connection with our IPO, we entered into an option agreement with Rising Tide Development, LLC, a company owned and controlled by Robert J. Amsdell and Barry L. Amsdell and which we refer to as *Rising Tide Development*, to acquire 18 self-storage facilities, which we refer to as the *option facilities*. We have exercised our option with respect to the following three facilities, as described below.

Acquisition of San Bernardino VII, CA Facility. On January 5, 2005, we purchased the San Bernardino VII, CA facility from Rising Tide Development for approximately $7.3 million, consisting of $3.8 million in cash (which cash was used to pay off mortgage indebtedness secured by the facility) and $3.5 million in units in our operating partnership. This facility contains approximately 84,000 rentable square feet.

Acquisition of Orlando II, FL and Boynton Beach II, FL Facilities. On March 18, 2005, we purchased the Orlando II, FL and the Boynton Beach II, FL facilities from Rising Tide Development. The aggregate purchase price was approximately $10.1 million, consisting of $6.8 million in cash and $3.3 million in units in our operating partnership. These facilities total approximately 155,000 rentable square feet.

Acquisitions Completed Since July 31, 2005

On August 4, 2005, we acquired two self-storage facilities, one located in Elizabeth, NJ and one in Hoboken, NJ, for an aggregate purchase price of approximately $8.2 million. These facilities total approximately 74,000 rentable square feet.

Pending Acquisitions

We have entered into agreements to acquire 31 facilities totaling approximately 1.9 million rentable square feet, which we refer to as the *Pending Acquisitions.* The aggregate purchase price of these facilities is expected to be approximately $143.2 million, including the assumption of approximately $12.3 million of existing mortgage debt. We expect to acquire 14 of these facilities, for an aggregate purchase price of approximately $60.8 million, on or before September 30, 2005, eight of these facilities, for an aggregate purchase price of approximately $29.0 million (including the assumption of approximately $12.3 million of existing mortgage debt), in October 2005, and one of these facilities, for a purchase price of approximately $7.2 million, by the end of 2005. We expect to acquire the remaining eight facilities, for an aggregate purchase price of approximately $46.2 million, during the first half of 2006. However, there can be no assurance that any of these acquisitions will be consummated.

Completed Financings

We have entered into the following financings since our IPO:

Revolving Credit Facility. On October 27, 2004, concurrently with the closing of our IPO, we and our operating partnership entered into a three-year, $150.0 million secured revolving credit facility with Lehman Brothers Inc. and Wachovia Capital Markets, LLC, as joint lead arrangers and joint bookrunners. The facility is scheduled to terminate on October 27, 2007, with the option for us to extend the termination date to October 27, 2008. Borrowings under the facility bear interest at a variable rate based upon a base rate or a Eurodollar rate plus, in each case, a spread depending on our leverage ratio. The credit facility is secured by certain of our self-storage facilities and requires that we maintain a minimum borrowing base of properties.

Fixed Rate Mortgage Loans. Also on October 27, 2004, and concurrently with the closing of our IPO, three of our subsidiaries entered into three separate fixed rate mortgage loans in an aggregate principal amount of $270.0 million ($90.0 million each). Affiliates of Lehman Brothers served as the lenders under these mortgage loans. The mortgage loans are secured by certain of our self-storage facilities, bear interest at 5.09%, 5.19% and 5.33%, and mature in November 2009, May 2010 and January 2011, respectively.

Lehman Brothers Fixed Rate Mortgage Loan. On July 19, 2005, one of our subsidiaries entered into a fixed rate mortgage loan with Lehman Brothers Bank, FSB, or *Lehman Brothers Bank,* as the lender, in the principal amount of $80.0 million. The mortgage loan, which is secured by certain of our self-storage facilities, bears interest at 5.13% and matures in August 2012.

LaSalle Bank Fixed Rate Mortgage Loan. On August 4, 2005, one of our subsidiaries entered into a fixed rate mortgage loan with LaSalle Bank National Association, as the lender, in the principal amount of $80.0 million. The mortgage loan, which is secured by certain of our self-storage facilities, bears interest at 4.96% and matures in September 2012.

Pending Financings

We expect to enter into a multi-facility fixed rate mortgage loan in October 2005 in the principal amount of up to $75.0 million, which loan will bear interest at 5.98% and mature in October 2015. We assumed the obligation to enter into this loan in connection with the National Self Storage acquisition.

The Self-Storage Industry

According to the Self-Storage Almanac, the self-storage industry in the United States consists of approximately 1.5 billion rentable square feet at approximately 38,800 facilities. The industry is highly fragmented, comprised mainly of local operators that own single facilities and a few national owners and operators. According to the Self-Storage Almanac, the top ten operators of self-storage facilities in the United States (which includes us) collectively own approximately 16% of the aggregate market share for self-storage space, based on rentable square footage.

We believe the self-storage industry possesses the following characteristics that will drive its strength and growth:

Broad Base of Demand Driven by a Variety of Storage Needs Self-storage facilities serve a wide spectrum of residential and commercial customers, ranging from college students to high-income homeowners and from local businesses to large national corporations. Our customers use is driven by a broad variety of events and circumstances.

Relative Stability through Economic Cycles Demand for self-storage tends to remain relatively stable because the causes of such demand are present throughout the various stages of an economic cycle.

Low Price Sensitivity of Customers Many self-storage facility customers have a low sensitivity to price increases partly due to the low cost of self-storage relative to other storage alternatives and also due to the inconvenience of moving stored belongings to another location.

Large Pool of Individual Customers The self-storage industry benefits from the significant mobility of a growing population and the increasing consumer awareness of the self-storage product.

Growth of Commercial Customer Base Commercial customers, which are increasingly employing self-storage for their distribution logistics, favor self-storage for its relatively low cost, ease of access, security, flexible lease terms, climate control features and proximity to their distribution destinations.

Our Competitive Advantages

We believe the following strengths will enable us to continue to compete effectively in the self-storage industry:

Significant Scale and Scope As a national owner and operator of self-storage facilities, we continually enhance our business by applying our management expertise and best practices developed across our portfolio to our local facilities. We also benefit from economies of scale, which enable us to negotiate better pricing and spread our fixed costs across a large base of facilities.

Integrated Platform with Operating, Development and Acquisition Expertise We are an integrated self-storage real estate company, which means that we have in-house capabilities in the design, development, leasing, operation and acquisition of self-storage facilities. We also are one of the few self-storage companies with the experience and the capability to make property investments on a national scale through multiple methods acquisitions of operating facilities, development of new facilities and redevelopment of underperforming facilities.

Focused Operating Philosophy We focus on maintaining and improving profitability at each of our facilities by managing our pricing and occupancy, controlling our operating expenses and monitoring our operating results at the facility level. Each facility manager is empowered to use his or her local market knowledge to make pricing decisions, subject to certain pre-set guidelines and review by our district managers, which allows us to respond quickly to opportunities to increase rents.

High Quality Facilities Located in Targeted Growth Markets We seek to offer high quality modern facilities and generally focus our acquisitions and developments in metropolitan areas that we consider to be growth markets. We believe that our portfolio of facilities is among the most modern and well-located in the industry.

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Seasoned Management Team Our senior management team has been working together to acquire, develop and operate self-storage facilities for more than ten years. Our top four executives have an average of approximately 23 years of real estate experience and have worked in the self-storage industry for an average of approximately 17 years.

Our Business and Growth Strategy

Maximize cash flow from our facilities We seek to maximize cash flow from our facilities by:

Increasing rents Our operating strategy focuses on achieving the highest sustainable rent levels at each of our facilities.

Increasing occupancy levels We focus on increasing occupancy levels at our newly developed, recently acquired or recently expanded facilities.

Controlling operating expenses Our regional managers are focused on maximizing profitability at each of our facilities by controlling operating expenses.

Expanding and improving our facilities Where we believe we can achieve attractive returns on investment, we expand facilities which have reached near full occupancy or upgrade our facilities by adding such features as climate-controlled units and enhanced security systems.

Acquire facilities within our targeted markets We believe the self-storage industry will continue to provide us with opportunities for growth through acquisitions due to the highly fragmented composition of the industry, the lack of sophistication among many operators, the economies of scale available to a large self-storage operator and the difficulties smaller operators face in obtaining capital. We intend to acquire facilities primarily in areas that we consider to be growth markets, such as California, Colorado, Florida, Georgia, Illinois, Texas and the Northeastern United States.

Utilize our development expertise in selective new developments We intend to use our development expertise and access to multiple financing sources to pursue new developments in areas where we have facilities and perceive there to be unmet demand.

Focus on expanding our commercial customer base We intend to continue focusing on expanding the base of commercial customers that use our facilities for their storage and distribution needs. Towards this end, we have developed and acquired our facilities with features specifically designed to accommodate commercial customers.

Continue to grow ancillary revenues We intend to continue to enhance the cash flow from our facilities by increasing the sales of products and services, such as packing supplies and equipment rentals, that complement our customers use of our self-storage facilities.

Summary Risk Factors

You should carefully consider the matters discussed in the section entitled Risk Factors beginning on page 18 prior to deciding whether to invest in our common shares. Some of these risks include:

Our rental revenues are significantly influenced by the economies and other conditions of the markets in which we operate, particularly in Florida, California, Ohio and Illinois, where we have high concentrations of self-storage facilities, and demand for self-storage space generally;

We face significant competition in the self-storage industry, which may impede our ability to retain customers or re-let space when existing customers vacate, or impede our ability to make, or increase the cost of, future acquisitions or developments;

We may not be successful in identifying and completing acquisitions or development projects that meet our criteria, which may impede our growth, and even if we are able to identify suitable projects, our future acquisitions and developments may not yield the returns we expect or may result in shareholder dilution;

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We depend on our on-site personnel to maximize customer satisfaction at each of our facilities; any difficulties we encounter in hiring, training and retaining skilled field personnel may adversely affect our rental revenues;

We expect to have approximately $681.5 million of indebtedness outstanding on a pro forma basis as of June 30, 2005, and this level of indebtedness will result in significant debt service obligations, may limit our ability to incur additional indebtedness to fund our growth and will expose us to refinancing risk;

Our organizational documents contain no limitation on the amount of debt we may incur; as a result, we may become highly leveraged in the future;

Our charter prohibits any person from beneficially owning more than 5% of our common shares (other than members of the Amsdell family and related family trusts and entities which, as a group, may own up to 29% of our common shares), or up to 9.8% in the case of certain designated investment entities, as defined in our declaration of trust, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our shares or otherwise benefit our shareholders;

Our management has limited experience operating a REIT and a public company and therefore may not be able to successfully operate our company as a REIT and as a public company;

If we are unable to satisfy the regulatory requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or if our internal control over financial reporting is not effective, investors could lose confidence in our reported financial information, which could adversely affect the perception of our business and the trading price of our common shares;

Upon completion of this offering, Robert J. Amsdell, Barry L. Amsdell, Todd C. Amsdell and the Amsdell Entities collectively will own an approximate 17.6% beneficial interest in our company on a fully diluted basis and may have the ability to exercise significant influence on our company and any matter presented to our shareholders;

Robert J. Amsdell, our Chairman and Chief Executive Officer, and Barry L. Amsdell, one of our trustees, have interests, through their ownership of limited partner units in our operating partnership and their ownership, through Rising Tide Development, of 15 self-storage facilities (13 of which Rising Tide Development currently owns and two of which Rising Tide Development has a right to acquire from unaffiliated third parties) which we have the option to purchase, that may conflict with the interests of our other shareholders;

We depend on external sources of capital that are outside of our control; the unavailability of capital from external sources could adversely affect our ability to acquire or develop facilities, satisfy our debt obligations and/or make distributions to shareholders; and

If we fail to qualify as a REIT, our distributions to shareholders would not be deductible for federal income tax purposes, and therefore we would be required to pay corporate tax at applicable rates on our taxable income, which would substantially reduce our earnings and may substantially reduce the value of our common shares and adversely affect our ability to raise additional capital.

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Our Facilities

As of July 31, 2005, we owned 308 self-storage facilities located in 25 states and aggregating approximately 18.9 million rentable square feet. The following table sets forth certain summary information regarding these facilities by state as of July 31, 2005.

Our Facilities by State

Facility Location	Number of Facilities	Number of Units	Total Rentable Square Feet	% of Total Rentable Square Feet	Occupancy(1)
Florida	49	31,540	3,448,844	18.3%	89.8%
California	37	18,329	2,119,494	11.2%	83.5%
Ohio	33	14,700	1,893,423	10.0%	80.8%
Illinois	27	14,157	1,616,430	8.6%	78.5%
Arizona	21	10,086	1,079,820	5.7%	91.4%
Texas	17	7,491	967,519	5.1%	85.6%
Connecticut	17	7,373	873,860	4.6%	79.3%
Tennessee	15	6,779	828,088	4.4%	85.8%
New Jersey	12	8,261	865,774	4.6%	85.3%
New Mexico	10	3,788	407,459	2.2%	92.0%
Indiana	9	5,419	606,599	3.2%	77.2%
North Carolina	8	4,743	555,779	2.9%	88.8%
Mississippi	6	3,071	388,690	2.1%	82.7%
New York	6	3,195	335,300	1.8%	84.6%
Louisiana	6	2,329	334,324	1.8%	89.1%
Maryland	5	4,097	505,808	2.7%	84.4%
Georgia	5	3,635	431,387	2.3%	81.9%
Colorado	5	2,822	324,681	1.7%	80.2%
Utah	5	2,376	244,948	1.3%	89.5%
Michigan	4	1,787	272,911	1.4%	80.4%
Alabama	3	1,655	234,631	1.2%	71.0%
South Carolina	3	1,281	214,113	1.1%	78.9%
Pennsylvania	2	1,585	177,411	0.9%	89.5%
Massachusetts	2	1,134	115,541	0.6%	73.2%
Wisconsin	1	489	58,713	0.3%	78.8%
Total/ Weighted Average	**308**	**162,122**	**18,901,547**	**100.0%**	**84.5%**

(1) Represents occupied square feet divided by total rentable square feet, as of July 31, 2005.

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The following table sets forth certain summary information regarding our facilities located in our top 20 metropolitan statistical areas, or *MSAs,* ranked by total rentable square feet, as of July 31, 2005.

Our Top 20 MSAs

MSA(1)	Total Rentable Square Feet	Percentage of Total Rentable Square Feet	Number of Facilities	Number of Units	Occupancy(2)
Miami-Fort Lauderdale-Miami Beach, FL	1,651,264	8.7%	20	14,622	88.4%
Chicago-Naperville-Joliet, IL-IN-WI	1,616,430	8.6%	27	14,157	78.5%
Riverside-San Bernardino-Ontario, CA	1,315,668	7.0%	24	11,026	82.9%
Cleveland-Elyria-Mentor, OH	1,114,667	5.9%	18	9,023	80.9%
New York-Northern New Jersey-Long Island, NY-NJ-PA	1,107,975	5.9%	16	10,711	84.7%
Tucson, AZ	840,527	4.4%	17	7,975	93.5%
Indianapolis, IN	606,599	3.2%	9	5,419	77.2%
Hartford-West Hartford-East Hartford, CT	579,335	3.1%	11	4,624	77.8%
Sacramento-Arden Arcade-Roseville, CA	574,678	3.0%	9	5,357	82.2%
Knoxville, TN	475,068	2.5%	9	4,056	92.6%
Atlanta-Sandy Springs-Marietta, GA	431,387	2.3%	5	3,635	81.9%
El Paso, TX	390,276	2.1%	7	2,905	89.2%
Gulfport-Biloxi, MS	388,690	2.1%	6	3,071	82.7%
Houston-Sugar Land-Baytown, TX	367,225	1.9%	6	2,779	79.3%
Memphis, TN-AR-MS	353,020	1.9%	6	2,723	76.6%
Washington-Arlington-Alexandria, DC-VA-MD- WV	344,530	1.8%	3	2,567	84.2%
Denver-Aurora, CO	324,681	1.7%	5	2,822	80.2%
Tampa-St. Petersburg-Clearwater, FL	308,885	1.6%	5	2,581	86.9%
Dayton, OH	282,210	1.5%	5	2,115	79.8%
Orlando-Kissimmee, FL	272,967	1.4%	4	2,353	93.8%

(1) MSAs as defined by the United States Office of Management and Budget as of November 2004.

(2) Represents occupied square feet divided by total rentable square feet, as of July 31, 2005.

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Structure of Our Company

The following diagram depicts our ownership structure and the ownership structure of our operating partnership as of July 31, 2005.

Upon completion of this offering, our interest in the operating partnership will increase from approximately 87.8% to 91.0%.

Restrictions on Ownership of Our Common Shares

Due to limitations on the concentration of ownership of REIT shares imposed by the Internal Revenue Code of 1986, as amended, which we refer to as the *Code,* and for strategic reasons, our declaration of trust generally prohibits any shareholder from actually or constructively owning more than 5% of our outstanding common shares. Our declaration of trust provides an excepted holder limit that allows members of the Amsdell family, certain trusts established for the benefit of members of the Amsdell family and certain related entities, as a group, to own up to 29% of our common shares, so long as certain conditions are met. This excepted holder limit was established in light of the fact that Robert J. Amsdell, Barry L. Amsdell, Todd C. Amsdell and certain Amsdell Entities owned a substantial percentage of our common shares upon completion of our IPO. Certain designated investment entities, defined in our declaration of trust generally to include pension funds, mutual funds and certain investment management companies, have an ownership limit of 9.8% of our common shares, provided that beneficial owners of the shares held by such entity would satisfy the 5% ownership limit after application of relevant attribution rules. Any acquisition of our common shares in violation of these ownership restrictions or certain other ownership restrictions contained in our declaration of trust will be void *ab initio* and will result in automatic transfers of the common shares in question to a charitable trust, and the prohibited transferee in any such attempted acquisition will not acquire any right or economic interest in the subject common shares. Our board may, in its discretion, waive the ownership limits and restrictions with respect to certain shareholders if, among other things, our board is presented with evidence satisfactory to it that the ownership in excess of the ownership limits will not then or in the future jeopardize our status as a REIT. We do not believe the 29% excepted holder limit for certain members of the Amsdell family and certain related entities will jeopardize our REIT status.

Our Distribution Policy

To satisfy the requirements to qualify as a REIT, and to avoid paying tax on our income, we intend to make regular quarterly distributions of all, or substantially all, of our REIT taxable income (including net capital gains) to our shareholders. Since the completion of our IPO, our board of trustees has declared quarterly distributions on our common shares of $0.28 per common share (pro-rated for the initial distribution), or $1.12 per common share on an annualized basis.

If sufficient cash is not generated from operations to satisfy the requirement that we distribute at least 90% of our REIT taxable income and to avoid paying tax on our REIT taxable income, we expect to borrow to fund the shortfall. To the extent that we make distributions in excess of our earnings and profits, as computed for federal income tax purposes, these distributions will represent a return of capital, rather than a dividend, for federal income tax purposes.

Any future distributions we make will be at the discretion of our board of trustees and will depend upon, among other things, our actual results of operations. See Distribution Policy beginning on page 36. Our actual results of operations and our ability to pay distributions will be affected by a number of factors, including the revenue we receive from our facilities, our operating expenses, interest expense, recurring capital expenditures and unanticipated expenditures. For more information regarding risk factors that could materially adversely affect our actual results of operations, please see Risk Factors beginning on page 18.

Our Principal Office

Our principal executive office is located at 6745 Engle Road, Suite 300, Cleveland, Ohio 44130. Our telephone number is (440) 234-0700. Our website address is www.u-store-it.com. The information on our website does not constitute a part of this prospectus.

Tax Status

We have elected to be taxed as a REIT under the Code commencing with our first taxable year ended December 31, 2004. Our qualification as a REIT depends upon our ability to meet on a continuing basis, through actual annual and quarterly operating results, various complex requirements under the Code relating to, among other things, the nature and sources of our gross income, the composition and values of our assets, our distribution levels and the diversity of ownership of our shares. We believe that we are organized in conformity with the requirements for qualification and taxation as a REIT under the Code and that we have operated and intend to continue to operate in a manner that will enable our company to meet the requirements for qualification and taxation as a REIT for federal income tax purposes.

As a REIT, we generally are not subject to federal income tax on REIT taxable income that we distribute to our shareholders. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income tax at regular corporate rates even if we distribute our income. Even if we qualify for taxation as a REIT, we may be subject to some federal, state and local taxes on our income and facilities. U-Store-It Mini Warehouse Co., our taxable REIT subsidiary that, among other things, conducts a portion of our operations related to selling products and providing certain services to our customers, also is subject to federal, state and local income taxes.

The Offering

Common shares offered	15,000,000
Common shares outstanding after this offering	52,345,162 (1)
Common shares and operating partnership units outstanding after this offering	57,544,017 (1)(2)
Use of proceeds	The net proceeds of this offering, after deducting underwriting discount and commissions and estimated expenses, will be approximately $ million ($ million if the underwriters exercise their over-allotment option in full), which we intend to use as follows: $64.2 million to repay the outstanding balance under our revolving credit facility; $130.8 million to be used as cash consideration for the Pending Acquisitions (or to repay any additional amounts drawn under our revolving credit facility to fund one or more of the Pending Acquisitions, if they occur prior to the closing of this offering); $40.2 million to repay outstanding mortgage loans secured by 37 of our facilities; and the remainder for the acquisition and development of additional self-storage facilities, budgeted capital improvements and general corporate purposes.
Risk factors	See Risk Factors beginning on page 18 and other information included in this prospectus for a discussion of factors that you should consider before investing in our common shares.
New York Stock Exchange symbol	YSI

(1) Excludes 2,250,000 shares issuable upon exercise of the underwriters over-allotment option, 935,000 shares issuable upon exercise in full of options granted under our equity incentive plan, and 146,875 shares issuable to certain members of our management team in satisfaction of grants of deferred shares made under our equity incentive plan concurrently with the closing of our IPO. Also excludes 1,897,810 additional shares that may be issued in the future under our equity incentive plan.

(2) Includes 5,198,855 operating partnership units held by limited partners, including 1,524,358 operating partnership units held by the Amsdell Entities, which may, subject to certain limitations, be redeemed for cash or, at our option, common shares on a one-for-one basis.

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Summary Financial Data

The following table sets forth certain financial data on a pro forma basis and on a historical consolidated and combined basis. Condensed consolidated pro forma operating data are presented for the six months ended June 30, 2005 and for the year ended December 31, 2004 as if (1) our IPO and our formation transactions that took place at the time of our IPO, (2) the acquisition and financing transactions completed since our IPO, and (3) this offering and the expected use of proceeds therefrom (including the Pending Acquisitions), all had occurred on January 1, 2004, and pro forma balance sheet data are presented as if (1) the acquisition and financing transactions completed subsequent to June 30, 2005 and (2) this offering and the expected use of proceeds therefrom (including the Pending Acquisitions) all had occurred on June 30, 2005. The pro forma data do not purport to represent what our actual financial position or results of operations would have been as of or for the period indicated, nor do they purport to represent any future financial position or results of operations for any future period.

The summary historical financial information as of December 31, 2004 and 2003 and for each of the periods indicated in the three-year period ended December 31, 2004 were derived from audited financial statements contained elsewhere in this prospectus. The summary historical financial information as of June 30, 2005 and for the six months ended June 30, 2005 and 2004 were derived from unaudited, interim consolidated and combined financial statements contained elsewhere in this prospectus and include all adjustments, consisting of normal recurring adjustments, which management considers necessary for a fair presentation of the historical financial statements for such periods.

You should read the information below together with all of the financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

	The Company		The Predecessor	The Company	
	Six Months Ended June 30,		Six Months Ended June 30,	Year Ended December 31,	Period October 21, through December 31,
	Pro Forma 2005	Historical 2005	Historical(1) 2004	Pro Forma 2004	Historical 2004
	(Dollars in thousands, except per share data)				
Statements of Operation Data:					
Revenues:					
Rental income	$ 81,729	$ 59,077	$ 39,752	$ 158,877	$ 21,314
Other property related income	5,483	4,422	1,979	10,477	1,452
Total revenues	87,212	63,499	41,731	169,354	22,766
Operating expenses:					
Property operating expenses	32,337	22,810	15,685	67,117	9,635

Depreciation	25,107	16,765	9,987	51,057	5,800
General and administrative/ management fees to related party(2)	6,481	6,254	2,240	12,578	4,254
Total operating expenses	63,925	45,829	27,912	130,752	19,689
Operating income	23,287	17,670	13,819	38,602	3,077
Interest expense	(19,537)	(12,949)	(9,740)	(39,940)	(4,428)
Loan procurement amortization expense and other	(920)	(744)	(2,218)	(1,139)	(281)
Early extinguishment of debt					(7,012)
Costs incurred to acquire management company				(22,152)	(22,152)

[Additional columns below]

[Continued from above table, first column(s) repeated]

	The Predecessor		
	Period January 1, through October 20,	Year Ended December 31,	
	Historical(1)	Historical(1)	
	2004	2003	2002
	(Dollars in thousands, except per share data)		
Statements of Operation Data:			
Revenues:			
Rental income	$ 65,631	$ 76,898	$ 72,719
Other property related income	3,211	3,916	3,866
Total revenues	68,842	80,814	76,585
Operating expenses:			
Property operating expenses	26,031	28,096	26,075
Depreciation	16,528	19,494	19,656
General and administrative/ management fees to related party(2)	3,689	4,361	4,115
Total operating expenses	46,248	51,951	49,846

Operating income	22,594	28,863	26,739
Interest expense	(19,385)	(15,128)	(15,944)
Loan procurement amortization expense and other	(5,658)	(1,003)	(1,079)
Early extinguishment of debt			
Costs incurred to acquire management company			

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	The Company		The Predecessor	The Company	
	Six Months Ended June 30,		Six Months Ended June 30,	Year Ended December 31,	Period October 21, through December 31,
	Pro Forma	Historical	Historical(1)	Pro Forma	Historical
	2005	2005	2004	2004	2004
	(Dollars in thousands, except per share data)				
Income (loss) from continuing operations before minority interest	2,830	3,977	1,861	(24,629)	(30,796)
Minority interest	(255)	(156)		2,222	898
Income (loss) from continuing operations	2,575	3,821	1,861	(22,407)	(29,898)
Discontinued operations:					
Income from operations					
Gain on sale of storage facilities					
Income from discontinued operations					
Net income (loss)	$ 2,575	$ 3,821	$ 1,861	$ (22,407)	$ (29,898)
Net income (loss) per share (basic & diluted)(3)(4)	$ 0.05	$ 0.10		$ (0.43)	$ (0.80)
Weighted average basic common shares outstanding(3)(4)	52,477,920	37,477,920		52,477,920	37,477,920
Weighted average diluted shares outstanding(3)(4)	52,501,575	37,501,575		52,477,920	37,477,920
Balance Sheet Data (as of end of period):					
Storage facilities, net	$ 1,233,379	$ 847,539	$ 515,768		$ 729,155
Total assets	1,438,655	879,613	538,811		775,874

Loans payable and capital lease obligations	681,547	489,462	552,112		380,652
Total liabilities	712,132	519,679	570,660		405,432
Minority interest	65,532	17,275			11,062
Owners /shareholders equity (deficit)	660,991	342,659	(31,849)		359,380
Total liabilities and owners /shareholders equity	1,438,655	879,613	538,811		775,874
Other Data:					
Net operating income(5)	54,889	40,703	26,046	$ 102,196	13,090
Funds from operations for the operating partnership(6)	27,937	20,742	11,848	26,428	(24,996)
Number of facilities (end of period)	341	236	155		201
Total rentable square feet (end of period)	20,854,315	14,999,815	9,863,014		12,977,893
Occupancy (end of period)		84.0%	85.5%		82.2%
Cash dividends declared per share(7)		$ 0.56			$ 0.2009
Cash Flow Data:					
Net cash flow provided by (used in):					
Operating activities		21,468	16,994		9,415
Investing activities		(122,789)	(2,788)		(229,075)
Financing activities		78,644	(18,637)		246,078

[Additional columns below]

[Continued from above table, first column(s) repeated]

	The Predecessor		
	Period January 1, through October 20,	**Year Ended December 31,**	
	Historical(1)	**Historical(1)**	
	2004	**2003**	**2002**
	(Dollars in thousands, except per share data)		
Income (loss) from continuing operations before minority interest	(2,449)	12,732	9,716
Minority interest			

Income (loss) from continuing operations	(2,449)	12,732	9,716
Discontinued operations:			
Income from operations		171	312
Gain on sale of storage facilities		3,329	
Income from discontinued operations		3,500	312
Net income (loss)	$ (2,449)	$ 16,232	$ 10,028
Net income (loss) per share (basic & diluted)(3)(4)			
Weighted average basic common shares outstanding(3)(4)			
Weighted average diluted shares outstanding(3)(4)			
Balance Sheet Data (as of end of period):			
Storage facilities, net		$ 395,599	$ 411,232
Total assets		412,219	421,400
Loans payable and capital lease obligations		271,945	270,413
Total liabilities		280,470	278,987
Minority interest			
Owners /shareholders equity (deficit)		131,749	142,413
Total liabilities and owners /shareholders equity		412,219	421,400
Other Data:			
Net operating income(5)	$ 42,880	52,730	50,510
Funds from operations for the operating partnership(6)	14,079	32,604	29,885
Number of facilities (end of period)	155	155	159
Total rentable square feet (end of period)	9,863,014	9,863,014	10,050,274
Occupancy (end of period)	85.2%	82.6%	79.2%
Cash dividends declared per share(7)			
Cash Flow Data:			
Net cash flow provided by (used in):			
Operating activities	25,523	34,227	31,642
Investing activities	(5,114)	(2,507)	(33,212)
Financing activities	(25,845)	(25,729)	(818)

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	The Company		The Predecessor	The Company	
	Six Months Ended June 30,		Six Months Ended June 30,	Year Ended December 31,	Period October 21, through December 31,
	Pro Forma	Historical	Historical(1)	Pro Forma	Historical
	2005	2005	2004	2004	2004
	(Dollars in thousands, except per share data)				
Reconciliation of Net Income (Loss) to FFO(6):					
Net income (loss)(8)	$ 2,575	$ 3,821	$ 1,861	$ (22,407)	$ (29,898)
Plus:					
Depreciation	25,107	16,765	9,987	51,057	5,800
Minority interest	255	156		(2,222)	(898)
Depreciation included in discontinued operations					
Less:					
Gain on sale of storage facilities					
FFO for the operating partnership	27,937	20,742	$ 11,848	26,428	(24,996)
FFO allocable to minority interest	2,520	838		2,384	(733)
FFO attributable to common shareholders	$ 25,417	$ 19,904		$ 24,044	$ (24,263)
Reconciliation of Net Income (Loss) to Net Operating Income(5):					
Net Income (loss)(8)	$ 2,575	$ 3,821	$ 1,861	$ (22,407)	$ (29,898)
Plus:					
Interest expense	19,537	12,949	9,740	39,940	4,428
Loan procurement amortization expense	934	758	2,218	1,098	240
Minority interest	255	156		(2,222)	(898)
Early extinguishment of debt					7,012

Costs incurred to acquire management company				22,152	22,152
Less:					
Income from discontinued operations					
Gain on sale of storage facilities					
Operating income	23,301	17,684	13,819	38,561	3,036
Plus:					
Management fees to related party/general and administrative(2)	6,481	6,254	2,240	12,578	4,254
Depreciation	25,107	16,765	9,987	51,057	5,800
Net operating income	$ 54,889	$ 40,703	$ 26,046	$ 102,196	$ 13,090

[Additional columns below]

[Continued from above table, first column(s) repeated]

	The Predecessor		
	Period January 1, through October 20,	Year Ended December 31,	
	Historical(1)	Historical(1)	
	2004	2003	2002
	(Dollars in thousands, except per share data)		
Reconciliation of Net Income (Loss) to FFO(6):			
Net income (loss)(8)	$ (2,449)	$ 16,232	$ 10,028
Plus:			
Depreciation	16,528	19,494	19,656
Minority interest			
Depreciation included in discontinued operations		207	201
Less:			
Gain on sale of storage facilities		(3,329)	
FFO for the operating partnership	$ 14,079	$ 32,604	$ 29,885
FFO allocable to minority interest			
FFO attributable to common shareholders			

Reconciliation of Net Income (Loss) to Net Operating Income(5):			
Net Income (loss)(8)	$ (2,449)	$ 16,232	$ 10,028
Plus:			
Interest expense	19,385	15,128	15,944
Loan procurement amortization expense	5,727	1,015	1,079
Minority interest			
Early extinguishment of debt			
Costs incurred to acquire management company			
Less:			
Income from discontinued operations		(171)	(312)
Gain on sale of storage facilities		(3,329)	
Operating income	22,663	28,875	26,739
Plus:			
Management fees to related party/general and administrative(2)	3,689	4,361	4,115
Depreciation	16,528	19,494	19,656
Net operating income	$ 42,880	$ 52,730	$ 50,510

(1) Represents historical financial data of our operating partnership, including three additional facilities acquired by our operating partnership from certain of the Amsdell Entities in connection with our IPO. See Note 1 to the financial statements on page F-26.

(2) Management fees to related party were historically paid to U-Store-It Mini Warehouse Co., the prior manager of our self-storage facilities that was acquired at the time of our IPO.

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(3) Pro forma basic earnings per share is computed assuming the offering was consummated as of January 1, 2004 and equals pro forma net income divided by the pro forma number of our common shares outstanding, which amount (i) includes 37,345,162 shares outstanding currently, less 14,117 unearned shares granted to our trustees, (ii) includes 146,875 shares issuable to certain members of our management team in satisfaction of grants of deferred shares made under our equity incentive plan concurrently with the closing of our IPO, (iii) includes 15,000,000 shares expected to be issued in connection with this offering, and (iv) excludes 2,250,000 shares issuable upon exercise of the underwriters over-allotment option. Pro forma diluted earnings per share includes 23,655 incremental shares which are vested under option agreements.

(4) Excludes 5,198,855 operating partnership units issued at our IPO and in connection with the acquisition of facilities subsequent to the IPO. Operating partnership units have been excluded from the earnings per share calculations as there would be no effect on the earnings per share since, upon conversion, the minority interests share of income would also be added back to net income.

(5) We define net operating income, which we refer to as NOI , as total continuing revenues less continuing property operating expenses. NOI also can be calculated by adding back to net income: interest expense, loan procurement amortization expense, early extinguishment of debt, the charge incurred to acquire U-Store-It Mini Warehouse Co., minority interest, loss on sale of storage facilities, depreciation and general and administrative/ management fees to related party; and deducting from net income: income from discontinued operations and gains on sale of self-storage facilities. NOI is not a measure of performance calculated in accordance with GAAP.

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

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

it is one of the primary measures used by our management and our facility managers to evaluate the economic productivity of our facilities, including our ability to lease our facilities, increase pricing and occupancy and control our property operating expenses;

it is widely used in the real estate industry and the self-storage industry to measure the performance of real estate assets without regard to various items included in net income that do not relate to or are not indicative of operating performance, such as depreciation and amortization, which can vary depending upon accounting methods and book value of assets; and

we believe it helps our investors to meaningfully compare the results of our operating performance from period to period by removing the impact of our capital structure (primarily interest expense on our outstanding indebtedness) and depreciation of our basis in our assets from our operating results.

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

(6) Funds from operations, which we refer to as FFO, is a widely used performance measure for real estate companies and is provided here as a supplemental measure of operating performance. We calculate FFO in accordance with the best practices described in the April 2002 National Policy Bulletin of the National Association of Real Estate Investment Trusts (NAREIT), which we refer to as the White Paper. The White Paper defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus depreciation and

amortization, and after adjustments for

unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures, if any, are calculated to reflect FFO on the same basis.

Given the nature of our business as a real estate owner and operator, we believe that FFO is helpful to management and investors as a starting point in measuring our operational performance because it excludes various items included in net income that do not relate to or are not indicative of our operating performance, such as gains (or losses) from sales of property and depreciation and amortization, which can make periodic and peer analyses of operating performance more difficult. FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of our financial performance, is not an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of our liquidity, and is not indicative of funds available to fund our cash needs, including our ability to make distributions. Our computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the White Paper or that interpret the White Paper differently than we do.

(7) Our board of trustees declared a pro rata dividend of $0.2009 per common share on November 16, 2004 and full quarterly dividends of $0.28 per common share on February 22, 2005 and May 31, 2005.

(8) For the period from October 21, 2004 through December 31, 2004, amount includes a one-time management contract termination charge of approximately $22.2 million related to the termination of our management contracts as a result of the purchase of U-Store-It Mini Warehouse Co. and approximately $7.0 million of expenses related to the early extinguishment of debt at the time of our IPO. Additionally, for the period from October 21, 2004 through December 31, 2004, general and administrative expense includes a one-time compensation charge of approximately $2.4 million for deferred shares granted to certain members of our senior management team in connection with our IPO.

RISK FACTORS

You should carefully consider the risks described below before making an investment decision. Investing in our common shares involves a high degree of risk. Any of the following factors could harm our business and future results of operations and could result in a partial or complete loss of your investment. These risks are not the only ones that we may face. Additional risks not presently known to us or that we currently consider immaterial may also impair our business operations and hinder our ability to make expected distributions to our shareholders.

Risks Related to Our Operations

Our rental revenues are significantly influenced by the economies and other conditions of the markets in which we operate, particularly in Florida, California, Ohio and Illinois, where we have high concentrations of self-storage facilities.

We are susceptible to adverse developments in the markets in which we operate, such as business layoffs or downsizing, industry slowdowns, relocations of businesses, changing demographics and other factors. Our facilities in Florida, California, Ohio and Illinois accounted for approximately 18%, 11%, 10% and 9%, respectively, of our total rentable square feet as of July 31, 2005. As a result of this geographic concentration of our facilities, we are particularly susceptible to adverse market conditions in these particular areas. Any adverse economic or real estate developments in these markets, or in any of the other markets in which we operate, or any decrease in demand for self-storage space resulting from the local business climate could adversely affect our rental revenues, which could impair our ability to satisfy our debt service obligations and pay distributions to you.

Because we are primarily focused on the ownership, operation, acquisition and development of self-storage facilities, our rental revenues are significantly influenced by demand for self-storage space generally, and a decrease in such demand would likely have a greater adverse effect on our rental revenues than if we owned a more diversified real estate portfolio.

Because our portfolio of facilities consists primarily of self-storage facilities, we are subject to risks inherent in investments in a single industry. A decrease in the demand for self-storage space would likely have a greater adverse effect on our rental revenues than if we owned a more diversified real estate portfolio. Demand for self-storage space has been and could be adversely affected by weakness in the national, regional and local economies, changes in supply of, or demand for, similar or competing self-storage facilities in an area and the excess amount of self-storage space in a particular market. To the extent that any of these conditions occur, they are likely to affect market rents for self-storage space, which could cause a decrease in our rental revenue. Any such decrease could impair our ability to satisfy debt service obligations and make distributions to you.

We face significant competition in the self-storage industry, which may impede our ability to retain customers or re-let space when existing customers vacate, or impede our ability to make, or increase the cost of, future acquisitions or developments.

We compete with numerous developers, owners and operators in the self-storage industry, including other REITs, some of which own or may in the future own facilities similar to ours in the same markets in which our facilities are located, and some of which may have greater capital resources. In addition, due to the low cost of each individual self-storage facility, other developers, owners and operators have the capability to build additional facilities that may compete with our facilities.

If our competitors build new facilities that compete with our facilities or offer space at rental rates below current market rates or below the rental rates we currently charge our customers, we may lose potential customers and we may be pressured to discount our rental rates below those we currently charge in order to retain customers. As a result, our rental revenues may decrease, which could impair our ability to satisfy our debt service obligations and to pay distributions to you. In addition, increased competition for customers may require us to make capital improvements to facilities that we would not have otherwise made. Any unbudgeted capital improvements we undertake may reduce cash available for distributions to our shareholders.

Our rental revenues and operating costs, as well as the value of our self-storage facilities, are subject to risks associated with real estate assets and with the real estate industry.

Our ability to make expected distributions to our shareholders depends on our ability to generate substantial revenues from our facilities. Events and conditions generally applicable to owners and operators of real property that are beyond our control may decrease cash available for distribution and the value of our facilities. These events and conditions include:

- changes in the national, regional and local economic climate;
- hurricanes and other natural disasters that could damage our facilities, cause service interruptions and result in uninsured damages;
- local or regional oversupply, increased competition or reduction in demand for self-storage space;
- inability to collect rent from customers;
- inability to finance facility acquisitions, capital improvements and development on favorable terms;
- increased operating costs, including maintenance, insurance premiums and real estate taxes;
- costs of complying with changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes; and
- the relative illiquidity of real estate investments.

In addition, prolonged periods of economic slowdown or recession, rising interest rates or declining demand for self-storage, or the public perception that any of these events may occur, could result in a general decline in rental revenues, which could impair our ability to satisfy our debt service obligations and to make distributions to our shareholders.

If we are unable to promptly re-let units within our facilities or if the rates upon such re-letting are significantly lower than expected, our rental revenues would be adversely affected and our growth may be impeded.

Virtually all of our leases are on a month-to-month basis. Delays in re-letting units as vacancies arise would reduce our revenues and could adversely affect our operating performance. In addition, lower than expected rental rates upon re-letting could adversely affect our rental revenues and impede our growth.

We may not be successful in identifying and completing acquisitions or development projects that meet our criteria, which may impede our growth, and even if we are able to identify suitable projects, our future acquisitions and developments may not yield the returns we expect or may result in shareholder dilution.

Our business strategy involves expansion through acquisitions and development projects. These activities require us to identify acquisition or development candidates or investment opportunities that meet our criteria and are compatible with our growth strategy. We may not be successful in identifying self-storage facilities that meet our acquisition or development criteria or in completing acquisitions, developments or investments on satisfactory terms. Similarly, although we currently have the option to purchase 15 self-storage facilities, consisting of 13 facilities owned by Rising Tide Development and two facilities which Rising Tide Development has the right to acquire from unaffiliated third parties, Rising Tide Development may not acquire either or both of the option facilities it currently has under contract, which would reduce the number of facilities available to us pursuant to the option agreement. Failure to identify or complete acquisitions or developments or to purchase either or both of the option facilities could slow our growth.

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We also face significant competition for acquisitions and development opportunities. Some of our competitors have greater financial resources than we do and a greater ability to borrow funds to acquire facilities. These competitors may also be willing and/or able to accept more risk than we can prudently manage, including risks with respect to the geographic proximity of investments and the payment of higher facility acquisition prices. This competition for investments may reduce the number of suitable investment opportunities available to us, may increase acquisition costs and may reduce demand for self-storage space in certain areas where our facilities are located and, as a result, adversely affect our operating results.

In addition, even if we are successful in identifying suitable acquisitions or development projects, newly acquired facilities may fail to perform as expected and our management may underestimate the costs associated with the integration of the acquired facilities. In addition, any developments we undertake in the future are subject to a number of risks, including, but not limited to, construction delays or cost overruns that may increase project costs, financing risks, the failure to meet anticipated occupancy or rent levels, failure to receive required zoning, occupancy, land use and other governmental permits and authorizations and changes in applicable zoning and land use laws. If any of these problems occur, development costs for a project will increase, and there may be significant costs incurred for projects that are not completed. In deciding whether to acquire or develop a particular facility, we make certain assumptions regarding the expected future performance of that facility. If our acquisition or development facilities fail to perform as expected or incur significant increases in projected costs, our rental revenues could be lower, and our operating expenses higher, than we expect. In addition, the issuance of equity securities for any acquisitions could be substantially dilutive to our shareholders.

We may not be able to adapt our management and operation systems to respond to the integration of additional facilities without disruption or expense.

Since the completion of our IPO in October 2004 through July 31, 2005 we have acquired 154 self-storage facilities, containing approximately 9.0 million rentable square feet, for an aggregate cost of approximately $580 million. In addition, we expect to acquire additional self-storage facilities in the future. We cannot assure you that we will be able to adapt our management, administrative, accounting and operational systems or hire and retain sufficient operational staff to integrate these facilities into our portfolio and manage any future acquisition or development of additional facilities without operating disruptions or unanticipated costs. As we acquire or develop additional facilities, we will be subject to risks associated with managing new facilities, including customer retention and mortgage default. In addition, acquisitions or developments may cause disruptions in our operations and divert management s attention away from day-to-day operations. Furthermore, our profitability may suffer because of acquisition-related costs or amortization costs for acquired goodwill and other intangible assets. Our failure to successfully integrate any future facilities into our portfolio could have an adverse effect on our operating costs and our ability to make distributions to our shareholders.

We depend on our on-site personnel to maximize customer satisfaction at each of our facilities; any difficulties we encounter in hiring, training and retaining skilled field personnel may adversely affect our rental revenues.

As of June 30, 2005, we had approximately 540 field personnel involved in the management and operation of our facilities. The customer service, marketing skills and knowledge of local market demand and competitive dynamics of our facility managers are contributing factors to our ability to maximize our rental income and to achieve the highest sustainable rent levels at each of our facilities. If we are unable to successfully recruit, train and retain qualified field personnel, our rental revenues may be adversely affected, which could impair our ability to satisfy new debt obligations and make distributions to our shareholders.

After the completion of this offering and the expected use of proceeds therefrom, we expect to have approximately $681.5 million of indebtedness outstanding, and this level of indebtedness will result in significant debt service obligations, may limit our ability to incur additional indebtedness to fund our growth and will expose us to refinancing risk.

After the completion of this offering and the expected use of proceeds therefrom, we expect to have approximately $681.5 million of indebtedness outstanding. We also intend to incur additional debt in connection with the future acquisition and development of facilities. We also may incur or increase our mortgage debt by obtaining loans secured by some or all of the real estate facilities we acquire or develop. In addition, we may borrow funds if necessary to satisfy the requirement that we distribute to shareholders at least 90% of our annual REIT taxable income, or otherwise as is necessary or advisable, to ensure that we maintain our qualification as a REIT for federal income tax purposes or to otherwise avoid paying taxes that can be eliminated through distributions to our shareholders.

Our substantial debt may harm our business and operating results by:

- requiring us to use a substantial portion of our cash flow from operations to pay interest, which reduces the amount available for distributions;

- making us more vulnerable to economic and industry downturns and reducing our flexibility in responding to changing business and economic conditions; and

- limiting our ability to borrow more money for operating or capital needs or to finance acquisitions in the future.

In addition to the risks discussed above and those normally associated with debt financing, including the risk that our cash flow will be insufficient to meet required payments of principal and interest, we also are subject to the risk that we will not be able to refinance the existing indebtedness on our facilities (which, in most cases, will not have been fully amortized at maturity) and that the terms of any refinancing we could obtain would not be as favorable as the terms of our existing indebtedness. In particular, as of June 30, 2005, we had $105.2 million of indebtedness outstanding pursuant to two multi-facility mortgage loans with anticipated repayment dates in 2006. If we are not successful in refinancing debt when it becomes due, we may be forced to dispose of facilities on disadvantageous terms, which might adversely affect our ability to service other debt and to meet our other obligations.

Our mortgage indebtedness contains covenants that restrict our operating, acquisition and disposition activities.

Our mortgage indebtedness contains covenants, including limitations on our ability to incur secured and unsecured indebtedness, sell all or substantially all of our assets and engage in mergers and consolidations and various acquisitions. In addition, our mortgage indebtedness contains limitations on our ability to transfer or encumber the mortgaged facilities without lender consent. These provisions may restrict our ability to pursue business initiatives or acquisition transactions that may be in our best interests. They also may prevent us from selling facilities at times when, due to market conditions, it may be advantageous to do so. In addition, failure to meet any of the covenants could cause an event of default under and/or acceleration of some or all of our indebtedness, which would have an adverse effect on us.

Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a facility or group of facilities subject to mortgage debt.

Most of the facilities we own are pledged as collateral for mortgage debt. If a facility or group of facilities is mortgaged and we are unable to meet mortgage payments, the lender could foreclose on the facility or group of facilities, resulting in the loss of our investment. Any foreclosure on a mortgaged facility or group of facilities could adversely affect the overall value of our portfolio of self-storage facilities.

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We could have substantial variable rate debt, and therefore increases in interest rates would likely increase our debt service obligations.

Upon the completion of this offering, we do not expect to have any variable rate debt outstanding. However, we intend to finance future acquisitions in part by borrowing under our revolving credit facility, which bears interest at a variable rate. The interest expense on our variable rate indebtedness increases when interest rates increase. Interest rates are currently low relative to historical levels and may increase significantly in the future. A significant increase in interest expense could adversely affect our results of operations.

Our organizational documents contain no limitation on the amount of debt we may incur. As a result, we may become highly leveraged in the future.

Our organizational documents contain no limitations on the amount of indebtedness that we or our operating partnership may incur. We could alter the balance between our total outstanding indebtedness and the value of our assets at any time. If we become more highly leveraged, then the resulting increase in debt service could adversely affect our ability to make payments on our outstanding indebtedness and to pay our anticipated distributions and/or the distributions required to maintain our REIT status, and could harm our financial condition.

We may not be able to sell facilities when appropriate or on favorable terms, which could significantly impede our ability to respond to economic or other market conditions or adverse changes in the performance of our facilities.

Real estate property investments generally cannot be sold quickly. Also, the tax laws applicable to REITs require that we hold our facilities for investment, rather than sale in the ordinary course of business, which may cause us to forgo or defer sales of facilities that otherwise would be in our best interest. Therefore, we may not be able to dispose of facilities promptly, or on favorable terms, in response to economic or other market conditions, which may adversely affect our financial position.

Potential losses may not be covered by insurance, which could result in the loss of our investment in a facility and the future cash flows from the facility.

We carry comprehensive liability, fire, extended coverage and rental loss insurance covering all of the facilities in our portfolio. We believe the policy specifications and insured limits are appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. We do not carry insurance for losses such as loss from riots, war or acts of God, and, in some cases, flooding, because such coverage is not available or is not available at commercially reasonable rates. Some of our policies, such as those covering losses due to terrorism, floods and earthquakes, are insured subject to limitations involving large deductibles or co-payments and policy limits that may not be sufficient to cover losses. If we experience a loss at a facility that is uninsured or that exceeds policy limits, we could lose the capital invested in that facility as well as the anticipated future cash flows from that facility. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it impractical or undesirable to use insurance proceeds to replace a facility after it has been damaged or destroyed. In addition, if the damaged facilities are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these facilities were irreparably damaged.

Rising operating expenses could reduce our cash flow and funds available for future distributions.

Our facilities and any other facilities we acquire or develop in the future are and will be subject to operating risks common to real estate in general, any or all of which may negatively affect us. The facilities will be subject to increases in real estate and other tax rates, utility costs, operating expenses, insurance costs, repairs and maintenance and administrative expenses. If rents are being paid in an amount that is insufficient to cover operating expenses, then we could be required to expend funds for that facility s operating expenses.

We could incur significant costs related to government regulation and environmental matters.

We are subject to federal, state and local environmental regulations that apply generally to the ownership of real property and the operation of self-storage facilities. If we fail to comply with those laws, we could be subject to significant fines or other governmental sanctions.

Under various federal, state and local laws, ordinances and regulations, an owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or petroleum product releases at a facility and may be held liable to a governmental entity or to third parties for property damage and for investigation and clean up costs incurred by such parties in connection with contamination. Such liability may be imposed whether or not the owner or operator knew of, or was responsible for, the presence of these hazardous or toxic substances. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner s ability to sell or rent such facility or to borrow using such facility as collateral. In addition, in connection with the ownership, operation and management of real properties, we are potentially liable for property damage or injuries to persons and property.

In order to assess the potential for liabilities arising from the environmental condition of our facilities, we obtain or examine environmental assessments of each of our facilities from qualified and reputable environmental consulting firms (and intend to conduct such assessments prior to the acquisition or development of additional facilities). The environmental assessments received to date have not revealed, nor are we aware of, any environmental liability that we believe will have a material adverse effect on us. However, we cannot assure you that any environmental assessments performed have identified or will identify all material environmental conditions, that any prior owner of any facility did not create a material environmental condition not known to us or that a material environmental condition does not otherwise exist with respect to any of our facilities.

We must comply with the Americans with Disabilities Act of 1990, which may require unanticipated expenditures.

Under the Americans with Disabilities Act of 1990, which we refer to as the *ADA,* all places of public accommodation are required to meet federal requirements related to physical access and use by disabled persons. A number of other U.S. federal, state and local laws may also impose access and other similar requirements at our facilities. A failure to comply with the ADA or similar state or local requirements could result in the governmental imposition of fines or the award of damages to private litigants affected by the noncompliance. Although we believe that our facilities comply in all material respects with these requirements (or would be eligible for applicable exemptions from material requirements because of adaptive assistance provided), a determination that one or more of our facilities is not in compliance with the ADA or similar state or local requirements would result in the incurrence of additional costs associated with bringing the facilities into compliance. If we are required to make substantial modifications to comply with the ADA or similar state or local requirements, we may be required to incur significant unanticipated expenditures.

We may become subject to litigation or threatened litigation which may divert management time and attention, require us to pay damages and expenses or restrict the operation of our business.

We may become subject to disputes with commercial parties with whom we maintain relationships or other parties with whom we do business. Any such dispute could result in litigation between us and the other parties. Whether or not any dispute actually proceeds to litigation, we may be required to devote significant management time and attention to its successful resolution (through litigation, settlement or otherwise), which would detract from our management s ability to focus on our business. Any such resolution could involve the payment of damages or expenses by us, which may be significant. In addition, any such resolution could involve our agreement with terms that restrict the operation of our business.

One type of commercial dispute could involve our use of our brand name and other intellectual property (for example, logos, signage and other marks), for which we generally have common law rights but no federal trademark registration. There are other commercial parties, at both a local and national level, that may assert that our use of our brand names and other intellectual property conflict with their rights to use brand names and other intellectual property that they consider to be similar to ours. Any such commercial dispute and related resolution would involve all of the risks described above, including, in particular, our agreement to restrict the use of our brand name or other intellectual property.

If in the future we elect to make joint venture investments, we could be adversely affected by a lack of sole decision-making authority, reliance on joint venture partners financial condition and any disputes that might arise between us and our joint venture partners.

Although we currently have no joint venture investments, we may in the future co-invest with third parties through joint ventures. In any such joint venture, we may not be in a position to exercise sole decision-making authority regarding the facilities owned through joint ventures. Investments in joint ventures may, under certain circumstances, involve risks not present when a third party is not involved, including the possibility that joint venture partners might become bankrupt or fail to fund their share of required capital contributions. Joint venture partners may have business interests or goals that are inconsistent with our business interests or goals and may be in a position to take actions contrary to our policies or objectives. Such investments also have the potential risk of impasse on strategic decisions, such as a sale, because neither we nor the joint venture partner would have full control over the joint venture. Any disputes that may arise between us and our joint venture partners could result in litigation or arbitration that could increase our expenses and distract our officers and/or trustees from focusing their time and effort on our business. In addition, we might in certain circumstances be liable for the actions of our joint venture partners, and the activities of a joint venture could adversely affect our ability to qualify as a REIT, even though we do not control the joint venture.

Risks Related to Our Organization and Structure

Our organizational documents contain provisions that may have an anti-takeover effect, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our shares or otherwise benefit our shareholders.

Our declaration of trust and bylaws contain provisions that may have the effect of delaying, deferring or preventing a change in control of our company or the removal of existing management and, as a result, could prevent our shareholders from being paid a premium for their common shares over the then-prevailing market price. These provisions include limitations on the ownership of our common shares, advance notice requirements for shareholder proposals, our board of trustees power to reclassify shares and issue additional common shares or preferred shares and the absence of cumulative voting rights.

Our charter prohibits any person (other than members of the Amsdell family and related family trusts and entities which, as a group, may own up to 29% of our common shares) from beneficially owning more than 5% of our common shares (or up to 9.8% in the case of certain designated investment entities, as defined in our declaration of trust).

There are ownership limits and restrictions on transferability in our declaration of trust. In order for us to qualify as a REIT, no more than 50% of the value of our outstanding shares may be owned, actually or constructively, by five or fewer individuals at any time during the last half of each taxable year. To make sure that we will not fail to satisfy this requirement and for anti-takeover reasons, subject to some exceptions, our declaration of trust generally prohibits any shareholder (other than an excepted holder or certain designated investment entities, as defined in our declaration of trust) from owning (actually, constructively or by attribution), more than 5% of the value or number of our outstanding common shares. Our declaration of trust provides an excepted holder limit that allows members of the Amsdell family, certain trusts established for the benefit of members of the Amsdell family and related entities to own up to 29% of our common shares, subject to limitations contained in our declaration of trust. Entities that are defined as designated investment entities in our declaration of trust, which generally includes pension funds, mutual funds, and certain investment management companies, are permitted to own up to 9.8% of our outstanding common shares, so long as each beneficial owner of the shares owned by such designated investment entity would satisfy the 5% ownership limit if those beneficial owners owned directly their proportionate share of the common shares owned by the designated investment entity. Our board of trustees may, but is not required to, except a shareholder who is not an individual for tax purposes from the 5% ownership limit or the 9.8% designated investment entity limit if such shareholder provides information and makes representations to the board that are satisfactory to the board in its reasonable discretion demonstrating that exceeding the 5% ownership limit or the 9.8% designated investment entity limit as to such person would not jeopardize our qualification as a REIT.

These restrictions may:

- discourage a tender offer or other transactions or a change in management or control that might involve a premium price for our shares or otherwise be in the best interests of our shareholders; or

- compel a shareholder who has acquired our shares in excess of these ownership limitations to dispose of the additional shares and, as a result, to forfeit the benefits of owning the additional shares. Any acquisition of our common shares in violation of these ownership restrictions will be void *ab initio* and will result in automatic transfers of our common shares to a charitable trust, which will be responsible for selling the common shares to permitted transferees and distributing at least a portion of the proceeds to the prohibited transferees.

Our declaration of trust permits our board of trustees to issue preferred shares with terms that may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our shares or otherwise benefit our shareholders.

Our declaration of trust permits our board of trustees to issue up to 40,000,000 preferred shares, having those preferences, conversion or other rights, voting powers, restrictions, limitations as to distributions, qualifications, or terms or conditions of redemption as determined by our board. In addition, our board may reclassify any unissued common shares into one or more classes or series of preferred shares. Thus, our board could authorize, without shareholder approval, the issuance of preferred shares with terms and conditions that could have the effect of discouraging a takeover or other transaction in which holders of some or a majority of our shares might receive a premium for their shares over the then-prevailing market price of our shares. We currently do not expect that the board would require shareholder approval prior to such a preferred issuance. In addition, any preferred shares that we issue would rank senior to our common shares with respect to the payment of distributions, in which case we could not pay any distributions on our common shares until full distributions have been paid with respect to such preferred shares.

Our management has limited experience operating a REIT and a public company and therefore may not be able to successfully operate our company as a REIT and as a public company.

We have limited history operating as a REIT and as a public company. We completed our IPO in October 2004 and believe that we qualify for taxation as a REIT for federal income tax purposes under Sections 856 through 860 of the Code beginning with our short taxable year ended December 31, 2004. Our board of trustees and executive officers have overall responsibility for our management and, while certain of our officers and trustees have extensive experience in real estate marketing, development, management, finance and law, our executive officers have limited experience in operating a business in accordance with the Code requirements for maintaining qualification as a REIT and in operating a public company. In addition, we have developed control systems and procedures required to operate as a public REIT, and these systems and procedures could place a significant strain on our management systems, infrastructure and other resources. We cannot assure you that our past experience will be sufficient to enable us to successfully operate our company as a REIT and as a public company. If we fail to qualify as a REIT, and are not able to avail ourselves of certain savings provisions set forth in the Code, our distributions to shareholders will not be deductible for federal income tax purposes, and therefore we will be required to pay corporate tax at applicable rates on our taxable income, which will substantially reduce our earnings and may reduce the value of our common shares and adversely affect our ability to raise additional capital. We would not be able to elect to be taxed as a REIT for four years following the year we first failed to qualify unless the Internal Revenue Service, which we refer to as the *IRS,* were to grant us relief under certain statutory provisions.

If we are unable to satisfy the regulatory requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or if our internal control over financial reporting is not effective, investors could lose confidence in our reported financial information, which could adversely affect the perception of our business and the trading price of our common shares.

As a new public company, Section 404 of the Sarbanes-Oxley Act of 2002, or *Section 404,* requires us to evaluate the effectiveness of our internal control over financial reporting as of the end of each fiscal year, beginning with the year ending December 31, 2005, and to include a management report assessing the effectiveness of our internal control over financial reporting in all annual reports beginning with our Annual Report on Form 10-K for the fiscal year ending December 31, 2005, to be filed in early 2006. In addition, Section 404 also requires our independent registered public accounting firm to attest to, and report on, management s assessment of our internal control over financial reporting. In anticipation of the requirement to comply with Section 404 for our Annual Report on Form 10-K for the year ending December 31, 2005, we are in the process of reviewing, testing and, where necessary, enhancing our policies and procedures on internal control over financial reporting. During this ongoing evaluation of our internal control over financial reporting, we may identify material weaknesses or significant deficiencies which may not be remediated in a timely manner. The process of reviewing and enhancing our internal control over financial reporting will require us to expend significant financial and internal resources and we can provide no assurance that we will be able to timely comply with the requirements of Section 404. If we are unable to timely complete the assessment of our internal control over financial reporting, if management is unable to favorably assess the effectiveness of our internal control over financial reporting or if our auditors are unable to give an unqualified attestation report with respect to our assessment of those controls, investors could lose confidence in our reported financial information, which could adversely affect the perception of our business and the trading price of our common shares.

In connection with the preparation of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, our independent auditors discovered that the calculation of the purchase price for the two option facilities acquired from Rising Tide Development in March 2005 was not made in accordance with the terms specified in the option agreement, which resulted in an overpayment by us of approximately $1.7 million of consideration for those two facilities. Promptly upon discovery in May 2005, this amount was repaid by Rising Tide Development. In connection with the review of our interim financial statements for the quarter ended March 31, 2005, we and our independent auditors determined that the lack of adequate internal control procedures surrounding related party transactions could result in transactions not being properly reviewed and approved by the independent trustees, and that such deficiency in our internal control over financial reporting constituted a material weakness. We took significant steps to remediate this weakness during the quarter ended June 30, 2005, including the implementation of changes in our internal control over financial reporting relating to related party transactions. Although we believe, through the implementation of such changes, that we have remediated this weakness, we cannot assure you that the measures taken have adequately remediated the weakness. Additionally, we cannot assure you that other material weaknesses or significant deficiencies in our internal control over financial reporting will not be identified in the future. If a material weakness were to be identified during the course of the required assessment of our internal control over financial reporting, management would not be able to conclude that our internal control over financial reporting is effective and our auditors would be unable to give an unqualified attestation report with respect to our assessment of those controls, which could cause investors to lose confidence in our reported financial information, thereby adversely affecting the perception of our business and the trading price of our common shares.

Certain provisions of Maryland law could inhibit changes in control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our shares or otherwise benefit our shareholders.

Certain provisions of Maryland law may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under circumstances that otherwise could provide the holders of our common shares with the opportunity to realize a premium over the then-prevailing market price of those shares, including:

- business combination moratorium/fair price provisions that, subject to limitations, prohibit certain business combinations between us and an interested shareholder (defined generally as any person who beneficially owns 10% or more of the voting power of our shares or an affiliate thereof) for five years after the most recent date on which the shareholder becomes an interested shareholder, and thereafter imposes stringent fair price and super-majority shareholder voting requirements on these combinations; and

- control share provisions that provide that control shares of our company (defined as shares which, when aggregated with other shares controlled by the shareholder, entitle the shareholder to exercise one of three increasing ranges of voting power in electing trustees) acquired in a control share acquisition (defined as the direct or indirect acquisition of ownership or control of control shares from a party other than the issuer) have no voting rights except to the extent approved by our shareholders by the affirmative vote of at least two thirds of all the votes entitled to be cast on the matter, excluding all interested shares, and are subject to redemption in certain circumstances.

We have opted out of these provisions of Maryland law. However, our board of trustees may opt to make these provisions applicable to us at any time. See Description of Shares Certain Provisions of Maryland Law and of Our Declaration of Trust and Bylaws Business Combinations and Control Share Acquisitions, beginning on page 125.

Upon completion of this offering, Robert J. Amsdell, Barry L. Amsdell, Todd C. Amsdell and the Amsdell Entities collectively will own an approximate 17.6% beneficial interest in our company on a fully diluted basis and therefore have the ability to exercise significant influence on our company and any matter presented to our shareholders.

Upon completion of this offering, Robert J. Amsdell, Barry L. Amsdell, Todd C. Amsdell and the Amsdell Entities collectively will own approximately 14.9% of our outstanding common shares, and an approximate 17.6% beneficial interest in our company on a fully diluted basis. Consequently, these persons and entities may be able to significantly influence the outcome of matters submitted for shareholder action, including the election of our board of trustees and approval of significant corporate transactions, including business combinations, consolidations and mergers and the determination of our day-to-day business decisions and management policies. As a result, Robert J. Amsdell, Barry L. Amsdell and Todd C. Amsdell have substantial influence on us and could exercise their influence in a manner that conflicts with the interests of our other shareholders.

Robert J. Amsdell, our Chairman and Chief Executive Officer, and Barry L. Amsdell, one of our trustees, have interests, through their ownership of limited partner units in our operating partnership and their ownership, through Rising Tide Development, of the option facilities, that may conflict with the interests of our other shareholders.

Robert J. Amsdell, our Chairman and Chief Executive Officer, and Barry L. Amsdell, one of our trustees, own limited partner units in our operating partnership. These individuals may have personal interests that conflict with the interests of our shareholders with respect to business decisions affecting us and our operating partnership, such as interests in the timing and pricing of facility sales or refinancings in order to obtain favorable tax treatment. As a result, the effect of certain transactions on these unitholders may influence our decisions affecting these facilities.

In addition, Robert J. Amsdell and Barry L. Amsdell own all of the equity interests in Rising Tide Development, which currently owns 13 of the option facilities and has the right to acquire two option facilities from unaffiliated third parties. We have options to purchase these 15 option facilities from Rising Tide Development. As a result of their ownership interest in Rising Tide Development, Robert J. Amsdell and Barry L. Amsdell may have personal interests that conflict with the interests of our shareholders with respect to decisions affecting our exercise of our right to purchase any or all of the option facilities or our management of the option facilities. For example, it could be in the best interests of Rising Tide Development, at some time during the term of the option agreement, to seek our agreement to permit it to sell any or all of the option facilities to an outside third party rather than to our operating partnership. Under these circumstances, our interests would conflict with the fiduciary obligations of Robert J. Amsdell and Barry L. Amsdell as officers and directors of the entity that manages Rising Tide Development and their economic interests as the holders of the equity of Rising Tide Development. Although we expect that our decisions regarding our relationship with Rising Tide Development will be made by the independent members of our board of trustees, we cannot assure you that we will not be adversely affected by conflicts arising from Robert J. Amsdell and Barry L. Amsdell s relationship with Rising Tide Development.

Our Chairman and Chief Executive Officer has outside business interests that could require significant time and attention and may interfere with his ability to devote time to our business and affairs.

Robert J. Amsdell, our Chairman and Chief Executive Officer, has outside business interests which could require significant time and attention. These interests include the ownership and operation of certain office and industrial properties and ownership of the entity that owns or in some cases has a right to purchase the option facilities. Mr. Amsdell s employment agreement permits him to devote time to his outside business interests, so long as such activities do not materially or adversely interfere with his duties to us. In some cases, Mr. Amsdell may have fiduciary obligations associated with these business interests that interfere with his ability to devote time to our business and affairs and that could adversely affect our operations. In particular, Mr. Amsdell also serves as an officer or on the board of directors or comparable governing body of various entities owned and controlled by him and Barry L. Amsdell, which entities manage the office and industrial properties and own the option facilities referred to above. As a result of the customary requirement of a fiduciary to exercise the level of care a prudent person would exercise, Mr. Amsdell may be required, through his service as an officer and director of these various entities, to maintain significant familiarity with the businesses and operations of such entities. As well, Mr. Amsdell may be required from time to time to take action as an officer or director with respect to these entities. These activities could require significant time and attention of Mr. Amsdell.

Our business could be harmed if any of our key personnel, Robert J. Amsdell, Steven G. Osgood, Todd C. Amsdell and Tedd D. Towsley, all of whom have long-standing business relationships in the self-storage industry, terminated his employment with us.

Our continued success depends on the continued services of our Chairman and Chief Executive Officer and our other executive officers. Our top four executives, Robert J. Amsdell, Steven G. Osgood, Todd C. Amsdell and Tedd D. Towsley, have an average of approximately 23 years of real estate experience and have worked in the self-storage industry for an average of approximately 17 years. Although we have employment agreements with our Chairman and Chief Executive Officer and the other members of our senior management team, we cannot provide any assurance that any of them will remain in our employ. The loss of services of one or more members of our senior management team, particularly our Chairman and Chief Executive Officer, could adversely affect our operations and our future growth.

We depend on external sources of capital that are outside of our control; the unavailability of capital from external sources could adversely affect our ability to acquire or develop facilities, satisfy our debt obligations and/or make distributions to shareholders.

To continue to qualify as a REIT, we are required to distribute to our shareholders each year at least 90% of our REIT taxable income, excluding net capital gains. In order to eliminate federal income tax, we will be required to distribute annually 100% of our net taxable income, including capital gains. Because of these distribution requirements, we likely will not be able to fund all future capital needs, including capital for acquisitions and facility development, with income from operations. We therefore will have to rely on third-party sources of capital, which may or may not be available on favorable terms, if at all. Our access to third-party sources of capital depends on a number of things, including the market s perception of our growth potential and our current and potential future earnings and our ability to continue to qualify as a REIT for federal income tax purposes. If we are unable to obtain third-party sources of capital, we may not be able to acquire or develop facilities when strategic opportunities exist, satisfy our debt obligations or make distributions to shareholders that would permit us to qualify as a REIT or avoid paying tax on our REIT taxable income.

You have limited control as a shareholder to prevent us from making any changes to our investment and financing policies that you believe could harm our business, prospects, operating results or share price.

Our board of trustees has adopted policies with respect to certain activities. These policies may be amended or revised from time to time at the discretion of our board of trustees without a vote of our shareholders. This means that our shareholders have limited control over changes in our policies. Such changes in our policies intended to improve, expand or diversify our business may not have the anticipated effects and consequently may adversely affect our business and prospects, results of operations and share price.

Our rights and the rights of our shareholders to take action against our trustees and officers are limited, and therefore our and your ability to recover damages from our trustees and officers is limited.

Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. Our declaration of trust and bylaws require us to indemnify our trustees and officers for actions taken by them in those capacities to the extent permitted by Maryland law. Accordingly, in the event that actions taken in good faith by any trustee or officer impede our performance, our and your ability to recover damages from that trustee or officer will be limited.

We may have assumed unknown liabilities in connection with our formation transactions that occurred at the time of our IPO and will not have recourse to Robert J. Amsdell, Barry L. Amsdell, Todd C. Amsdell and the Amsdell Entities for any of these liabilities.

As part of our formation transactions that occurred at the time of our IPO, we acquired certain entities and/or assets that are subject to existing liabilities, some of which may be unknown at the present time. Unknown liabilities might include liabilities for cleanup or remediation of undisclosed environmental conditions, claims by customers, vendors or other persons dealing with our predecessor entities (that have not been asserted or threatened to date), tax liabilities, and accrued but unpaid liabilities incurred in the ordinary course of business. While in some instances we may have the right to seek reimbursement against an insurer or another third party for certain of these liabilities, we will not have recourse to Robert J. Amsdell, Barry L. Amsdell, Todd C. Amsdell or any of the Amsdell Entities for any of these liabilities.

Risks Related to This Offering

The market price of our equity securities may vary substantially.

The trading prices of equity securities issued by REITs historically have been affected by changes in market interest rates. One of the factors that may influence the trading price of our common shares in public markets is the annual yield from distributions on our common shares as compared to yields on other financial instruments. An increase in market interest rates, or a decrease in our distributions to shareholders, may reduce the market price of our equity securities.

Other factors that could affect the market price of our equity securities include the following:

- our operating performance and the performance of other similar companies;
- actual or anticipated differences in our quarterly operating results;

adverse market reaction to any future increased indebtedness;

changes in our revenues or earnings estimates or recommendations by securities analysts;

publication of research reports about us or our industry by securities analysts;

additions and departures of key personnel;

changes in market interest rates;

strategic decisions by us or our competitors, such as acquisitions, divestments, spin-offs, joint ventures, strategic investments or changes in business strategy;

the passage of legislation or other regulatory developments that adversely affect us or our industry;

speculation in the press or investment community;

actions by institutional shareholders or hedge funds;

changes in accounting principles;

terrorist acts; and

general market conditions, including factors unrelated to our performance.

In the past, securities class action litigation has been instituted against companies following periods of volatility in their stock price. If this type of litigation were to be initiated in respect of our shares, it could result in substantial costs and divert our management s attention and resources.

If a large number of our common shares are sold in the public market, the sales could reduce the trading price of our common shares and impede our ability to raise future capital.

We cannot predict what effect, if any, future sales of our common shares, or the availability of common shares for future sale, will have on the market price of our common shares. The market price of our common shares could decline significantly if the holders of these shares sell them or are perceived by the market as intending to sell them.

Upon completion of this offering, we will have approximately 52.3 million common shares outstanding. We, along with Robert J. Amsdell, Barry L. Amsdell, Todd C. Amsdell, the Amsdell Entities, each of our other senior officers and each of our other trustees, have agreed with the underwriters, subject to specified exceptions, not to, directly or indirectly, offer, sell or otherwise dispose of any common shares or any securities which may be converted into or exchanged for any common shares for a period of 90 days after the date of this prospectus. The lock-up agreements signed by these shareholders are only contractual agreements, and Lehman Brothers Inc., on behalf of the underwriters, can waive the restrictions of the lock-up agreements at an earlier time without prior notice or announcement and allow these shareholders to sell their shares. If the restrictions of all of the lock-up agreements are waived, we believe that approximately 10.1 million shares (which number includes the shares issuable upon the redemption of units in our operating partnership) will become available for sale into the market, subject only to applicable securities rules and regulations, which could reduce the market price for our common shares. In addition, once the lock-up agreements expire, Robert J. Amsdell, Barry L. Amsdell, Todd C. Amsdell and the Amsdell Entities will have the right to exercise their registration rights that will enable them to sell shares that they received in our formation transactions or upon redemption of operating partnership units in market transactions, subject to certain limitations.

Our distributions to shareholders may change.

We paid quarterly distributions of $0.28 per common share for each of the periods ending March 31, 2005 and June 30, 2005, which distributions were paid on April 25, 2005 and July 25, 2005, respectively. These quarterly distributions are equivalent to $1.12 per common share on an annualized basis. Distributions will be authorized and determined by our board of trustees in its sole discretion from time to time and will depend upon a number of factors, including:

- cash available for distribution;
- our results of operations;
- our financial condition, especially in relation to our anticipated future capital needs of our facilities;
- the distribution requirements for REITs under the Code;
- our operating expenses; and
- other factors our board of trustees deems relevant.

Consequently, we may not continue our current level of distributions to shareholders and our distribution levels may fluctuate.

Affiliates of certain of our underwriters will receive benefits in connection with this offering, and therefore may have a conflict of interest with respect to this offering because they have interests in the successful completion of this offering beyond the underwriting discount and commissions they will receive.

Affiliates of certain of the underwriters of this offering are lenders under our revolving credit facility. As members of the credit facility syndicate, these affiliates will benefit from this offering because a portion of the net proceeds of this offering will be used to repay the outstanding balance under our revolving credit facility (which is approximately $64.2 million as of the date hereof, and would increase to the extent that we draw additional amounts under the facility to fund one or more Pending Acquisitions). These affiliates will receive their proportionate share of the amount of the revolving credit facility to be repaid with the proceeds of this offering. The repayment of this existing debt gives these affiliates an interest in the successful completion of this offering beyond the underwriting discount and commissions to be received by the underwriters in this offering. This interest may influence the decisions of certain of the underwriters regarding the terms and circumstances of this offering.

Tax Risks

If we fail to qualify as a REIT, our distributions to shareholders would not be deductible for federal income tax purposes, and therefore we would be required to pay corporate tax at applicable rates on our taxable income, which would substantially reduce our earnings and may substantially reduce the value of our common shares and adversely affect our ability to raise additional capital.

We have elected to be taxed as a REIT for federal income tax purposes commencing with our first taxable year ended December 31, 2004, and we plan to continue to operate so that we can meet the requirements for qualification and taxation as a REIT. We have not requested and do not plan to request a ruling from the IRS that we qualify as a REIT, and the statements in this prospectus are not binding on the IRS or any court. As a REIT, we generally will not be subject to federal income tax on our income that we distribute currently to our shareholders. Many of the REIT requirements, however, are highly technical and complex. The determination that we are a REIT requires an analysis of various factual matters and circumstances that may not be totally within our control. For example, to qualify as a REIT, at least 95% of our gross income must come from specific passive sources, such as rent, that are itemized in the REIT tax laws. In addition, to qualify as a REIT, we cannot own specified amounts of debt and equity securities of some issuers. We also are required to distribute to our shareholders with respect to each year at least 90% of our REIT taxable income (excluding net capital gains). The fact that we hold substantially all of our assets through the operating partnership and its subsidiaries further complicates the application of the REIT requirements for us. Even a technical or inadvertent mistake could jeopardize our REIT status and, given the highly complex nature of the rules governing REITs and the ongoing importance of factual determinations, we cannot provide any assurance that we will continue to qualify as a REIT. Furthermore, Congress and the IRS might make changes to the tax laws and regulations, and the courts might issue new rulings, that make it more difficult, or impossible, for us to remain qualified as a REIT.

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If we fail to qualify as a REIT for federal income tax purposes, and are unable to avail ourselves of certain savings provisions set forth in the Code, we would be subject to federal income tax at regular corporate rates on all of our income. As a taxable corporation, we would not be allowed to take a deduction for distributions to shareholders in computing our taxable income or pass through long term capital gains to individual shareholders at favorable rates. We also could be subject to the federal alternative minimum tax and possibly increased state and local taxes. We would not be able to elect to be taxed as a REIT for four years following the year we first failed to qualify unless the IRS were to grant us relief under certain statutory provisions. If we failed to qualify as a REIT, we would have to pay significant income taxes, which would reduce our net earnings available for investment or distribution to our shareholders. This likely would have a significant adverse effect on our earnings and likely would adversely affect the value of our securities. In addition, we would no longer be required to pay any distributions to shareholders.

We will pay some taxes even if we qualify as a REIT.

Even if we qualify as a REIT for federal income tax purposes, we will be required to pay certain federal, state and local taxes on our income and property. For example, we will be subject to income tax to the extent we distribute less than 100% of our REIT taxable income, including capital gains. Moreover, if we have net income from prohibited transactions, that income will be subject to a 100% penalty tax. In general, prohibited transactions are sales or other dispositions of property held primarily for sale to customers in the ordinary course of business. The determination as to whether a particular sale is a prohibited transaction depends on the facts and circumstances related to that sale. We cannot guarantee that sales of our properties would not be prohibited transactions unless we comply with certain statutory safe-harbor provisions. The need to avoid prohibited transactions could cause us to forego or defer sales of facilities that our predecessors otherwise would have sold or that might otherwise be in our best interest to sell.

In addition, any net taxable income earned directly by our taxable REIT subsidiaries, or through entities that are disregarded for federal income tax purposes as entities separate from our taxable REIT subsidiaries, will be subject to federal and possibly state corporate income tax. We have elected to treat U-Store-It Mini Warehouse Co. as a taxable REIT subsidiary, and we may elect to treat other subsidiaries as taxable REIT subsidiaries in the future. In this regard, several provisions of the laws applicable to REITs and their subsidiaries ensure that a taxable REIT subsidiary will be subject to an appropriate level of federal income taxation. For example, a taxable REIT subsidiary is limited in its ability to deduct certain interest payments made to an affiliated REIT. In addition, the REIT has to pay a 100% penalty tax on some payments that it receives or on some deductions taken by a taxable REIT subsidiary if the economic arrangements between the REIT, the REIT s customers, and the taxable REIT subsidiary are not comparable to similar arrangements between unrelated parties. Finally, some state and local jurisdictions may tax some of our income even though as a REIT we are not subject to federal income tax on that income because not all states and localities follow the federal income tax treatment of REITs. To the extent that we and our affiliates are required to pay federal, state and local taxes, we will have less cash available for distributions to our shareholders.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in Summary, Risk Factors, Distribution Policy, Management s Discussion and Analysis of Financial Condition and Results of Operations, Our Business and Facilities, Investment Policies and Policies With Respect to Certain Activities and elsewhere in this prospectus constitute forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by terms such as may, will, should, expects, plans, anticipates, believes, esti predicts, potential or the negative of these terms or other comparable terminology.

The forward-looking statements contained in this prospectus reflect our current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement. We caution that while we make such statements in good faith and we believe such statements are based on reasonable assumptions, including without limitation, management s examination of historical operating trends, data contained in records and other data available from third parties, we cannot assure you that our projections will be achieved.

In addition to other factors and risks discussed in the quarterly, annual, current and other reports that we file with the Securities and Exchange Commission, some important factors that could cause actual results or outcomes to differ materially from those discussed in forward-looking statements include without limitation:

national and local economic, business, real estate and other market conditions;

the competitive environment in which we operate;

the execution of our business plan;

financing risks;

increases in interest rates and operating costs;

our ability to maintain our status as a REIT for federal income tax purposes;

acquisition and development risks;

changes in real estate and zoning laws or regulations;

risks related to natural disasters;

potential environmental and other liabilities; and

other factors affecting the real estate industry generally or the self-storage industry in particular.

For more information regarding risks that may cause our actual results to differ materially from any forward-looking statements, see Risk Factors beginning on page 18. We do not intend and disclaim any duty or obligation to update or revise any industry information or forward-looking statements set forth in this prospectus to reflect new information, future events or otherwise, except as may be required by the securities laws.

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USE OF PROCEEDS

The net proceeds of this offering will be approximately $ million, after deducting underwriting discount and commissions and estimated expenses of the offering. We intend to use the net proceeds as follows:

- $64.2 million to repay the outstanding balance under our revolving credit facility;
- $130.8 million to be used as cash consideration for the Pending Acquisitions (or to repay any additional amounts drawn under our revolving credit facility to fund one or more of the Pending Acquisitions, if they occur prior to the closing of this offering);
- $40.2 million to repay outstanding mortgage loans secured by 37 of our facilities; and
- the remainder for the acquisition and development of additional self-storage facilities, budgeted capital improvements and general corporate purposes.

If the underwriters over-allotment option to purchase 2,250,000 shares is exercised in full, we will receive additional net proceeds of approximately $ million. We will use these additional proceeds for general corporate purposes, including the potential acquisition and development of additional self-storage facilities.

Our $150 million revolving credit facility bears interest at a floating rate, which was 5.3% at July 31, 2005, and terminates in October 2007, with a one-year extension option. Affiliates of certain of the underwriters of this offering are lenders under our revolving credit facility. These affiliates will receive their proportionate share of the amount of the revolving credit facility to be repaid with the proceeds of this offering.

The mortgage loans secured by 37 of our facilities that we intend to repay with the proceeds of this offering currently bear interest at 8.02% and mature in October 2006. We assumed these loans in connection with the acquisition of the facilities which are secured thereby.

Pending application of the net proceeds as described above, the net proceeds from this offering may be invested in interest-bearing accounts and short-term securities that are consistent with our qualification as a REIT.

PRICE RANGE OF COMMON SHARES

Our common shares began trading on the New York Stock Exchange under the symbol YSI on October 22, 2004. As of September 20, 2005, there were approximately 21 registered record holders of our common shares. This figure does not include beneficial owners who hold shares in nominee name. The following table sets forth, for the periods indicated, the high and low sales prices per share for our common shares, and the dividends paid with respect to such shares:

	High	Low	Dividend Per Share
2004			
Fourth quarter (October 22 through December 31)	$ 17.77	$ 16.40	$ 0.2009
2005			
First quarter	$ 17.58	$ 15.90	$ 0.28
Second quarter	$ 19.99	$ 16.64	$ 0.28
Third quarter (through September 20)	$ 22.13	$ 18.82	(1)

(1) On August 24, 2005, our board of trustees declared a dividend of $0.28 per common share, payable on October 24, 2005 to holders of record as of October 10, 2005.

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DISTRIBUTION POLICY

We intend to make regular quarterly distributions to holders of our common shares. The amount, timing and frequency of distributions will be authorized by our board of trustees from time to time and declared by us out of assets legally available therefor based upon a number of factors, including:

- cash available for distribution;
- our results of operations;
- our debt service requirements;
- our financial condition, especially in relation to our anticipated future capital needs of our facilities;
- our taxable income;
- the distribution requirements for REITs under the Code;
- our operating expenses; and
- other factors our board of trustees deems relevant.

The Code requires that a REIT distribute annually at least 90% of its REIT taxable income, excluding net capital gains, and that it pay tax at regular corporate rates to the extent that it annually distributes less than 100% of its REIT taxable income, including capital gains. For more information, please see Material United States Federal Income Tax Considerations, beginning on page 131. To the extent that we distribute less than 100% of our REIT taxable income, including capital gains, we will be subject to corporate tax on the undistributed amount. We anticipate that our estimated cash available for distribution to our shareholders will exceed the annual distribution requirements applicable to REITs and the amount necessary to avoid the payment of tax on undistributed income. However, under some circumstances, we may be required to pay distributions in excess of cash available for distribution to our shareholders in order to meet these distribution requirements and we may need to borrow funds to make some distributions. We may be required to use borrowings under our revolving credit facility, if necessary, to meet REIT distribution requirements and qualify as a REIT. Under our revolving credit facility, we are restricted from paying distributions on our common shares that would exceed an amount equal to the greater of (i) a certain percentage of our funds from operations and (ii) such amount as may be necessary to maintain our REIT status. To the extent that we make distributions in excess of our earnings and profits, as computed for federal income tax purposes, these distributions will represent a return of capital, rather than a dividend, for federal income tax purposes. Distributions that are treated as a return of capital for federal income tax purposes generally will not be taxable as a dividend to a U.S. shareholder, but will reduce the shareholder s basis in its shares (but not below zero) and therefore can result in the shareholder having a higher gain upon a subsequent sale of such shares. Return of capital distributions in excess of a shareholder s basis generally will be treated as gain from the sale of such shares for federal income tax purposes. For more information regarding the tax treatment of distributions that are treated as a return of capital for federal income tax purposes, please see Material United States Federal Income Tax Considerations Federal Income Tax Considerations for Holders of Our Common Shares beginning on page 145.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2005, on a historical and as adjusted basis to reflect the acquisition and financing transactions completed since June 30, 2005, this offering and the expected use of the net proceeds from this offering as described in Use of Proceeds on page 34. You should read this table in conjunction with Use of Proceeds, Selected Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical and pro forma financial statements and related notes appearing elsewhere in this prospectus.

	June 30, 2005	
	Historical	As Adjusted
	($ in thousands)	
Loans payable	$ 489,372	$ 681,457
Minority interest	17,275	65,532
Shareholders equity		
Common shares, $0.01 par value, 200,000,000 shares authorized, 37,345,162 shares issued and outstanding historical and 52,345,162 shares issued and outstanding as adjusted(1)	373	523
Preferred shares, $0.01 par value, 40,000,000 shares authorized, no shares issued and outstanding		
Additional paid in capital	396,932	715,114
Accumulated deficit	(54,564)	(54,564)
Unearned share grant compensation	(82)	(82)
Total shareholders equity	342,659	660,991
Total capitalization	$ 849,306	$ 1,407,980

(1) As adjusted outstanding common shares excludes (i) 2,250,000 shares issuable upon exercise of the underwriters over-allotment option, (ii) 935,000 shares issuable upon exercise in full of options granted under our equity incentive plan, (iii) 1,897,810 additional shares that may be issued in the future under our equity incentive plan, (iv) 146,875 shares issuable to certain members of our management team in satisfaction of grants of deferred shares made under our equity incentive plan concurrently with the closing of our IPO, and (v) 5,198,855 shares reserved for issuance with respect to units of our operating partnership that may, subject to limitations in the partnership agreement, be redeemed for cash or, at our option, our common shares on a one-for-one basis.

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SELECTED FINANCIAL DATA

The following table sets forth certain financial data on a pro forma basis and on a historical consolidated and combined basis. Condensed consolidated pro forma operating data are presented for the six months ended June 30, 2005 and for the year ended December 31, 2004 and as if (1) our IPO and our formation transactions that took place at the time of our IPO, (2) the acquisition and financing transactions completed since our IPO, and (3) this offering and the expected use of proceeds therefrom (including the Pending Acquisitions), all had occurred on January 1, 2004, and pro forma balance sheet data are presented as if (1) the acquisition and financing transactions completed subsequent to June 30, 2005 and (2) this offering and the expected use of proceeds therefrom (including the Pending Acquisitions) all had occurred on June 30, 2005. The pro forma data do not purport to represent what our actual financial position or results of operations would have been as of or for the period indicated, nor do they purport to represent any future financial position or results of operations for any future period.

The selected historical financial information as of December 31, 2004 and 2003 and for each of the periods indicated in the three-year period ended December 31, 2004 were derived from audited financial statements contained elsewhere in this prospectus. The selected historical financial information as of June 30, 2005 and for the six months ended June 30, 2005 and 2004 were derived from unaudited, interim consolidated and combined financial statements contained elsewhere in this prospectus and include all adjustments, consisting of normal recurring adjustments, which management considers necessary for a fair presentation of the historical financial statements for such periods.

You should read the information below together with all of the financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

	The Company		The Predecessor	The Company			The Predecessor			
	Six Months Ended June 30,		Six Months Ended June 30,	Year Ended December 31,	Period October 21 through December 31,	Period January 1, through October 20,	Year Ended December 31,			
	Pro Forma	Historical	Historical(1)	Pro Forma	Historical	Historical(1)	Historical(1)			
	2005	2005	2004	2004	2004	2004	2003	2002	2001	2000
	(Dollars in thousands, except per share data)									
Statements of Operation Data:										
Revenues:										
Rental income	$ 81,729	$ 59,077	$ 39,752	$ 158,877	$ 21,314	$ 65,631	$ 76,898	$ 72,719	$ 59,120	$ 49,992
Other property related income	5,483	4,422	1,979	10,477	1,452	3,211	3,916	3,866	3,156	3,098

Total revenues	87,212	63,499	41,731	169,354	22,766	68,842	80,814	76,585	62,276	53,090
Operating expenses:										
Property operating expenses	32,337	22,810	15,685	67,117	9,635	26,031	28,096	26,075	20,977	17,580
Depreciation	25,107	16,765	9,987	51,057	5,800	16,528	19,494	19,656	14,168	12,786
General and administrative/ management fees to related party(2)	6,481	6,254	2,240	12,578	4,254	3,689	4,361	4,115	3,358	2,836
Total operating expenses	63,925	45,829	27,912	130,752	19,689	46,248	51,951	49,846	38,503	33,202
Operating income	23,287	17,670	13,819	38,602	3,077	22,594	28,863	26,739	23,773	19,888
Interest expense	(19,537)	(12,949)	(9,740)	(39,940)	(4,428)	(19,385)	(15,128)	(15,944)	(13,430)	(11,514)
Loan procurement amortization expense and other	(920)	(744)	(2,218)	(1,139)	(281)	(5,658)	(1,003)	(1,079)	(1,182)	(898)
Early extinguishment of debt					(7,012)					

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	The Company		The Predecessor	The Company			The Predecessor			
	Six Months Ended June 30,		Six Months Ended June 30,	Year Ended December 31,	Period October 21, through December 31,	Period January 1, through October 20,	Year Ended December 31,			
	Pro Forma	Historical	Historical(1)	Pro Forma	Historical	Historical(1)	Historical(1)			
	2005	2005	2004	2004	2004	2004	2003	2002	2001	2000
	(Dollars in thousands, except per share data)									
sts urred to uire nagement npany				(22,152)	(22,152)					
n (loss) on e of storage ilities									(2,459)	4
ome (loss) n tinuing rations ore nority rest	2,830	3,977	1,861	(24,629)	(30,796)	(2,449)	12,732	9,716	6,702	7,9
nority rest	(255)	(156)		2,222	898					
ome (loss) n tinuing rations	2,575	3,821	1,861	(22,407)	(29,898)	(2,449)	12,732	9,716	6,702	7,9
continued rations:										
come from erations							171	312	194	3
in on sale storage cilities							3,329			
come from continued erations							3,500	312	194	3

income s)	$ 2,575	$ 3,821	$ 1,861	$ (22,407)	$ (29,898)	$ (2,449)	$ 16,232	$ 10,028	$ 6,896	$ 8,2
income s) per re (basic & ted)(3)(4)	$ 0.05	$ 0.10		$ (0.43)	$ (0.80)					
ighted rage basic nmon res standing(3)(4)	52,477,920	37,477,920		52,477,920	37,477,920					
ighted rage ted shares standing(3)(4)	52,501,575	37,501,575		52,477,920	37,477,920					
ance et Data of end of iod):										
rage lities, net	$ 1,233,379	$ 847,539	$ 515,768		$ 729,155		$ 395,599	$ 411,232	$ 378,179	$ 255,9
al assets	1,438,655	879,613	538,811		775,874		412,219	421,400	392,016	268,3
ns able and ital lease gations	681,547	489,462	552,112		380,652		271,945	270,413	242,184	148,1
al ilities	712,132	519,679	570,660		405,432		280,470	278,987	249,854	155,3
ority rest	65,532	17,275			11,062					
ners /shareholders ity ficit)	660,991	342,659	(31,849)		359,380		131,749	142,413	142,162	112,9
al ilities and ners /shareholders ity	1,438,655	879,613	538,811		775,874		412,219	421,400	392,016	268,3
er Data:										
operating ome	54,889	40,703	26,046	$ 102,196	13,090	$ 42,880	52,730	50,510	41,299	35,5
ds from rations for operating tnership	27,937	20,742	11,848	26,428	(24,996)	14,079	32,604	29,885	23,812	20,7

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	The Company		The Predecessor	The Company			The Predecessor		
	Six Months Ended June 30,		Six Months Ended June 30,	Year Ended December 31,	Period October 21, through December 31,	Period January 1, through October 20,	Year Ended December 31,		
	Pro Forma	Historical	Historical(1)	Pro Forma	Historical	Historical(1)	Historical(1)		
	2005	2005	2004	2004	2004	2004	2003	2002	2001
	(Dollars in thousands, except per share data)								
f	341	236	155		201	155	155	159	152
l	20,854,315	14,999,815	9,863,014		12,977,893	9,863,014	9,863,014	10,050,274	9,520,547
d		84.0%	85.5%		82.2%	85.2%	82.6%	79.2%	78.6%
		$ 0.56			$ 0.2009				
a:									
		21,468	16,994		9,415	25,523	34,227	31,642	23,570
		(122,789)	(2,788)		(229,075)	(5,114)	(2,507)	(33,212)	(127,683)
		78,644	(18,637)		246,078	(25,845)	(25,729)	(818)	105,049
	$ 2,575	$ 3,821	$ 1,861	$ (22,407)	$ (29,898)	$ (2,449)	$ 16,232	$ 10,028	$ 6,896
	25,107	16,765	9,987	51,057	5,800	16,528	19,494	19,656	14,168
est	255	156		(2,222)	(898)				
							207	201	289

f es									2,459
f es							(3,329)		
	27,937	20,742	$ 11,848	26,428	(24,996)	$ 14,079	$ 32,604	$ 29,885	$ 23,812
o st	2,520	838		2,384	(733)				
e	$ 25,417	$ 19,904		$ 24,044	$ (24,263)				
	$ 2,575	$ 3,821	$ 1,861	$ (22,407)	$ (29,898)	$ (2,449)	$ 16,232	$ 10,028	$ 6,896
se	19,537	12,949	9,740	39,940	4,428	19,385	15,128	15,944	13,430
	934	758	2,218	1,098	240	5,727	1,015	1,079	1,182
	255	156		(2,222)	(898)				
nt					7,012				

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	The Company		The Predecessor	The Company		The Predecessor				
	Six Months Ended June 30,		Six Months Ended June 30,	Year Ended December 31,	Period October 21, through December 31,	Period January 1, through October 20,	Year Ended December 31,			
	Pro Forma	Historical	Historical(1)	Pro Forma	Historical	Historical(1)	Historical(1)			
	2005	2005	2004	2004	2004	2004	2003	2002	2001	2000
	(Dollars in thousands, except per share data)									
Costs incurred to acquire management company				22,152	22,152					
(Gain) loss on sale of storage facilities									2,459	(448)
Less:										
Income from discontinued operations							(171)	(312)	(194)	(326)
Gain on sale of storage facilities							(3,329)			
Operating income	23,301	17,684	13,819	38,561	3,036	22,663	28,875	26,739	23,773	19,888
Plus:										
Management fees to related party/general and administrative(2)	6,481	6,254	2,240	12,578	4,254	3,689	4,361	4,115	3,358	2,836
Depreciation	25,107	16,765	9,987	51,057	5,800	16,528	19,494	19,656	14,168	12,786
Net operating income	$ 54,889	$ 40,703	$ 26,046	$ 102,196	$ 13,090	$ 42,880	$ 52,730	$ 50,510	$ 41,299	$ 35,510

(1) Represents historical financial data of our operating partnership, including three additional facilities acquired by our operating partnership from certain of the Amsdell Entities in connection with our IPO. See Note 1 to the financial statements on page F-26.

(2) Management fees to related party were historically paid to U-Store-It Mini Warehouse Co., the prior manager of our self-storage facilities that was acquired at the time of our IPO.

(3) Pro forma basic earnings per share is computed assuming the offering was consummated as of January 1, 2004 and equals pro forma net income divided by the pro forma number of our common shares outstanding, which amount (i) includes 37,345,162 shares outstanding currently, less 14,117 unearned shares granted to our trustees, (ii) includes 146,875 shares issuable to certain members of our management team in satisfaction of grants of deferred shares made under our equity incentive plan concurrently with the closing of our IPO, (iii) includes 15,000,000 shares expected to be issued in connection with this offering, and (iv) excludes 2,250,000 shares issuable upon exercise of the underwriters over-allotment option. Pro forma diluted earnings per share includes 23,655 incremental shares which are vested under option agreements.

(4) Excludes 5,198,855 operating partnership units issued at our IPO and in connection with the acquisition of facilities subsequent to the IPO. Operating partnership units have been excluded from the earnings per share calculations as there would be no effect on the earnings per share since, upon conversion, the minority interests share of income would also be added back to net income.

(5) Our board of trustees declared a pro rata dividend of $0.2009 per common share on November 16, 2004 and full quarterly dividends of $0.28 per common share on February 22, 2005 and May 31, 2005.

(6) For the period from October 21, 2004 through December 31, 2004, amount includes a one-time management contract termination charge of approximately $22.2 million related to the termination of our management contracts as a result of the purchase of U-Store-It Mini Warehouse Co. and approximately $7.0 million of expenses related to the early extinguishment of debt at the time of our IPO. Additionally, for the period from October 21, 2004 through December 31, 2004, general and administrative expense includes a one-time compensation charge of approximately $2.4 million for deferred shares granted to certain members of our senior management team in connection with our IPO.

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Non-GAAP Financial Measures

Funds from Operations

Funds from operations, which we refer to as *FFO,* is a widely used performance measure for real estate companies and is provided here as a supplemental measure of operating performance. We calculate FFO in accordance with the best practices described in the White Paper. The White Paper defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures, if any, are calculated to reflect FFO on the same basis.

Given the nature of our business as a real estate owner and operator, we believe that FFO is helpful to management and investors as a starting point in measuring our operational performance because it excludes various items included in net income that do not relate to or are not indicative of our operating performance, such as gains (or losses) from sales of property and depreciation and amortization, which can make periodic and peer analyses of operating performance more difficult. FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of our financial performance, is not an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of our liquidity, and is not indicative of funds available to fund our cash needs, including our ability to make distributions. Our computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the White Paper or that interpret the White Paper differently than we do.

NOI

We define net operating income, which we refer to as *NOI,* as total continuing revenues less continuing property operating expenses. NOI also can be calculated by adding back to net income: interest expense, loan procurement amortization expense, early extinguishment of debt, the charge incurred to acquire U-Store-It Mini Warehouse Co., minority interest, loss on sale of storage facilities, depreciation and general and administrative/management fees to related party; and deducting from net income: income from discontinued operations and gains on sale of self-storage facilities. NOI is not a measure of performance calculated in accordance with GAAP.

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

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

- it is one of the primary measures used by our management and our facility managers to evaluate the economic productivity of our facilities, including our ability to lease our facilities, increase pricing and occupancy and control our property operating expenses;

- it is widely used in the real estate industry and the self-storage industry to measure the performance of real estate assets without regard to various items included in net income that do not relate to or are not indicative of operating performance, such as depreciation and amortization, which can vary depending upon accounting methods and the book value of assets; and

- we believe it helps our investors to meaningfully compare the results of our operating performance from period to period by removing the impact of our capital structure (primarily interest expense on our outstanding indebtedness) and depreciation of our basis in our assets from our operating results.

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

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the information included under the caption Selected Financial Data and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

Overview

On October 27, 2004, we completed our IPO, pursuant to which we sold an aggregate of 28,750,000 common shares (including 3,750,000 shares sold pursuant to the exercise of the underwriters over-allotment option) at an offering price of $16.00 per share. The IPO resulted in gross proceeds to us of approximately $460.0 million.

We are an integrated self-storage real estate company, which means that we have in-house capabilities in the operation, design, development, leasing, and acquisition of self-storage facilities. As of July 31, 2005, we owned 308 self-storage facilities totaling approximately 18.9 million rentable square feet.

We derive revenues principally from rents received from our customers who rent units at our self-storage facilities under month-to-month leases. Therefore, our operating results depend materially on our ability to retain our existing customers and lease our available self-storage units to new customers while maintaining and, where possible, increasing our pricing levels. In addition, our operating results depend on the ability of our customers to make required rental payments to us. We believe that our decentralized approach to the management and operation of our facilities, which places an emphasis on local, market level oversight and control, allows us to respond quickly and effectively to changes in local market conditions, where appropriate increasing rents while maintaining occupancy levels, or increasing occupancy levels while maintaining pricing levels.

We experience minor seasonal fluctuations in the occupancy levels of our facilities, which are generally slightly higher during the summer months due to increased moving activity.

In the future, we intend to focus on increasing our internal growth and selectively pursuing targeted acquisitions and developments of self-storage facilities. We intend to incur additional debt in connection with any such future acquisitions or developments.

We have one reportable operating segment: we own, operate, develop, and acquire self-storage facilities. Our self-storage facilities are located in major metropolitan areas and have numerous tenants per facility. All our operations are within the United States and no single tenant represents 1% or more of our revenues. The facilities in Florida, Illinois, California and Ohio provided approximately 28%, 11%, 11% and 9%, respectively, of total revenues for the six months ended June 30, 2005.

Summary of Critical Accounting Policies and Estimates

Set forth below is a summary of the accounting policies that management believes are critical to the preparation of the consolidated and combined financial statements included in this prospectus. These policies have not changed since we filed our Annual Report on Form 10-K for the year ended December 31, 2004 with the Securities and Exchange Commission. Certain of the accounting policies used in the preparation of these consolidated and combined financial statements are particularly important for an understanding of the financial position and results of operations presented in the historical consolidated and combined financial statements included in this prospectus. We have also provided a summary of significant accounting policies in the notes to our consolidated and combined financial statements (Note 2). These policies require the application of judgment and assumptions by management and, as a result, are subject to a degree of uncertainty. Due to this uncertainty, actual results could differ from estimates calculated and utilized by management.

Basis of Presentation

The accompanying consolidated and combined financial statements include all of the accounts of our company, our operating partnership and the wholly-owned subsidiaries of our operating partnership. The mergers of Amsdell Partners, Inc. and High Tide LLC with and into us, and the property interests contributed to the operating partnership by Acquiport/ Amsdell, or the *Predecessor,* in connection with the IPO, have been accounted for as a reorganization of entities under common control and accordingly, were recorded at the Predecessor s historical cost basis. Prior to the combination, we had no significant operations; therefore, the combined operations for the period prior to October 21, 2004, represent the operations of the Predecessor. The Predecessor was comprised of the following entities: U-Store-It, L.P. (formerly known as Acquiport/ Amsdell I Limited Partnership, which is sometimes referred to herein as Acquiport I) and its consolidated subsidiaries, Acquiport/ Amsdell III, LLC, Acquiport IV, LLC, Acquiport V, LLC, Acquiport VI, LLC, Acquiport VII, LLC and USI II, LLC. The Predecessor also included three additional facilities, Lakewood, OH, Lake Worth, FL, and Vero Beach I, FL, which were contributed to the operating partnership in connection with our IPO. All intercompany balances and transactions are eliminated in consolidation and combination.

For analytical presentation, all percentages are calculated using the numbers presented in the financial statements contained in this prospectus.

Self-Storage Facilities

We record self-storage facilities at cost less accumulated depreciation. Depreciation on the buildings and equipment is recorded on a straight-line basis over their estimated useful lives, which range from five to 40 years. Expenditures for significant renovations or improvements that extend the useful life of assets are capitalized. Repairs and maintenance costs are expensed as incurred.

When we acquire facilities, the purchase price is allocated to the tangible and intangible assets acquired and liabilities assumed based on estimated fair values. When we acquire portfolios of facilities, the purchase price is allocated to the individual facilities based upon a cash flow analysis using appropriate risk adjusted capitalization rates, which take into account the relative size, age and location of the individual facility along with current and projected occupancy and rental rate levels or appraised values, if available. Allocations to the individual assets and liabilities are based upon comparable market sales information for land, buildings and improvements and estimates of depreciated replacement cost of equipment.

In allocating the purchase price, we determine whether the acquisition includes intangible assets or liabilities. Substantially all of the leases in place at acquired properties are at market rates, as the majority of the leases are month-to-month contracts. Accordingly, to date, no portion of the purchase price has been allocated to above-or below-market lease intangibles. We also consider whether the in-place, at market leases for any facility represent an intangible asset. Based on our experience, leases of this nature generally re-let in less than 30 days and lease-up costs are minimal. Accordingly, to date, no intangible asset has been recorded for in-place, at market leases. Additionally, to date, no intangible asset has been recorded for the value of tenant relationships, because we do not have any concentrations of significant tenants and the average tenant turnover is fairly frequent (less than one year).

Long-lived assets are reviewed when events or circumstances indicate there may be an impairment or at least annually for impairment. The carrying value of these long-lived assets are compared to the undiscounted future net operating cash flows attributable to the assets. An impairment loss is considered if the net carrying value of the asset exceeds the undiscounted future net operating cash flows attributable to the asset and circumstances indicate that the carrying value of the real estate asset may not be recoverable. The impairment loss recognized equals the excess of net carrying value over the related fair value of the asset. No impairment charges have been recognized through June 30, 2005.

We consider long-lived assets to be held for sale upon satisfaction of the following criteria: (a) management commits to a plan to sell a facility (or group of facilities), (b) the facility is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such

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facilities, (c) an active program to locate a buyer and other actions required to complete the plan to sell the facility have been initiated, (d) the sale of the facility is probable and transfer of the asset is expected to be completed within one year, (e) the facility is being actively marketed for sale at a price that is reasonable in relation to its current fair value and (f) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Typically, these criteria are all met when the relevant asset is under contract, significant non-refundable deposits have been made by the potential buyer, the assets are immediately available for transfer and there are no contingencies related to the sale that may prevent the transaction from closing. In most transactions, these contingencies are not satisfied until the actual closing of the transaction and, accordingly, the facility is not identified as held for sale until the closing actually occurs. However, each potential transaction is evaluated based on its separate facts and circumstances.

Revenue Recognition

Management has determined that all of our leases with tenants are operating leases. Rental income is recognized in accordance with the terms of the lease agreements or contracts, which generally are month-to-month. Revenues from long-term operating leases are recognized on a straight-line basis over the term of the lease. The excess of rents recognized over amounts contractually due pursuant to the underlying leases is included in rents received in advance, and contractually due but unpaid rents are included in other assets.

Share Options

We apply the fair value method of accounting for the share options issued under our incentive award plan. Accordingly, compensation expense is recorded relating to such options over the vesting period.

Recent Accounting Pronouncements

There have been no recent accounting pronouncements or interpretations that have not yet been implemented that will have a material impact on our financial statements.

Results of Operations

The following discussion of our results of operations should be read in conjunction with the consolidated and combined financial statements and the accompanying notes thereto. Historical results set forth in the consolidated and combined statements of operations reflect only the existing facilities and should not be taken as indicative of future operations.

Comparison of the Three and Six Months Ended June 30, 2005 to the Three and Six Months Ended June 30, 2004

For purposes of the following comparison of operating results for the three and six months ended June 30, 2005 and 2004, the results of operations for the three and six months ended June 30, 2004 contain the results of operations of the Predecessor, which are presented using combined reporting.

Acquisition, Disposition and Development Activities

The comparability of our results of operations is significantly affected by development, redevelopment and acquisition activities in 2005 and 2004. At June 30, 2005 and 2004, we and the Predecessor owned interests in 236 and 155 self-storage facilities and related assets, respectively.

We completed the following acquisitions and disposition during the six months ended June 30, 2005:

Acquisition of Option Facility. On January 5, 2005, we purchased the San Bernardino VII, California facility from Rising Tide Development (a related party) for approximately $7.3 million, consisting of $3.8 million in cash (which cash was used to pay off mortgage indebtedness secured by the facility) and $3.5 million in units in the operating partnership.

Acquisition of Gaithersburg, MD Facility. On January 14, 2005, we acquired one self-storage facility in Gaithersburg, Maryland for a purchase price of approximately $10.7 million, consisting of $4.3 million in cash and the assumption of $6.4 million of indebtedness. For accounting purposes, the purchase price was adjusted during the second quarter of 2005 to $11.8 million, primarily due to the fair market value adjustment for debt.

Acquisition of Ford Storage Portfolio. On March 1, 2005, we acquired five self-storage facilities, located in central Connecticut, from Ford Storage for an aggregate purchase price of $15.5 million.

Acquisition of A-1 Self Storage Portfolio. On March 15, 2005, we acquired five self-storage properties, located in Connecticut, from A-1 Self Storage for an aggregate purchase price of approximately $21.7 million. We now operate two of these facilities as one facility. On May 5, 2005, we acquired an additional self-storage facility from A-1 Self Storage for approximately $6.4 million in cash. The facility contains approximately 30,000 rentable square feet and is located in New York.

Acquisition of Option Facilities. On March 18, 2005, we purchased the Orlando II, Florida and the Boynton Beach II, Florida facilities from Rising Tide Development (a related party) for consideration of $11.8 million, consisting of $6.8 million in cash (which cash was used to pay off mortgage indebtedness secured by the facilities) and $5.0 million in units of the operating partnership. An adjustment to the purchase price was finalized during the second quarter of 2005, resulting in a revised purchase price of approximately $10.1 million, which consisted of $6.8 million in cash and $3.3 million in units of the operating partnership after a price reduction of $1.7 million in May 2005.

Acquisition of Liberty Self-Stor Portfolio. On April 5, 2005, we acquired 18 self-storage facilities from Liberty Self-Stor Ltd., a subsidiary of Liberty Self-Stor, Inc., for an aggregate purchase price of $34.0 million. The facilities total approximately 926,000 rentable square feet and are located in Ohio and New York.

Acquisition of Frisco I & II, TX and Ocoee, FL Facilities. In April 2005, we acquired three self-storage facilities from two parties for an aggregate purchase price of approximately $14.9 million. These facilities total approximately 199,000 rentable square feet and are located in Texas (2 facilities) and Florida (1 facility).

Acquisition of Extra Closet Facilities. On May 24, 2005, we acquired two facilities from Extra Closet for an aggregate purchase price of approximately $6.8 million. These facilities total approximately 99,000 rentable square feet and are located in Illinois.

Disposition of Liberty Self-Stor Facility. On June 15, 2005, we sold one facility (purchased as part of the Liberty Self-Stor portfolio acquisition) for approximately $0.6 million, which approximated book value. Revenues and the related results for operations, for the property sold, were insignificant to our total revenues and related results of operations for the quarter ended June 30, 2005.

The following table summarizes the number of self-storage facilities placed into service from December 31, 2004 through June 30, 2005:

	Number of Self-Storage Facilities
Balance December 31, 2004	201
Facilities acquired	38
Facilities consolidated(1)	(2)
Facilities sold	(1)

Balance	June 30, 2005	236

(1) We operate two of the facilities owned as of December 31, 2004 as one facility and two of the facilities acquired in March 2005 as one facility.

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A comparison of income (loss) from continuing operations before minority interest for the three and six months ended June 30, 2005 and 2004 is as follows:

	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
	($ in thousands)			
REVENUES:				
Rental income	$ 31,480	$ 20,261	$ 59,077	$ 39,752
Other property related income	2,304	946	4,422	1,979
Total revenues	33,784	21,207	63,499	41,731
OPERATING EXPENSES:				
Property operating expenses	12,014	7,987	22,810	15,685
Depreciation	8,744	5,259	16,765	9,987
General and administrative	3,229		6,254	
Management fees related party		1,138		2,240
Total operating expenses	23,987	14,384	45,829	27,912
OPERATING INCOME	9,797	6,823	17,670	13,819
OTHER INCOME (EXPENSE):				
Interest expense	(7,142)	(6,001)	(12,949)	(9,740)
Loan procurement amortization expense	(385)	(2,045)	(758)	(2,218)
Other	30		14	
Total other expense	(7,497)	(8,046)	(13,693)	(11,958)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST	$ 2,300	$ (1,223)	$ 3,977	$ 1,861

Comparison of Operating Results for the Three Months Ended June 30, 2005 and 2004

Total Revenues

Rental income increased from $20.3 million for the three months ended June 30, 2004 to $31.5 million for the three months ended June 30, 2005, an increase of $11.2 million, or 55.4%. This increase is primarily attributable to (i) the acquisition of 46 facilities in the fourth quarter of 2004 and 38 facilities in the first six months of 2005 and (ii) an increase in revenues from our pool of same-store facilities of approximately $1.5 million (see same-store discussion below).

Other property related income increased from $0.9 million for the three months ended June 30, 2004 to $2.3 million for the three months ended June 30, 2005, an increase of $1.4 million, or 143.6%. This increase is primarily attributable to the acquisition of 46 facilities in the fourth quarter of 2004 and 38 facilities in the first six months of 2005.

Total Operating Expenses

Property operating expenses increased from $8.0 million for the three months ended June 30, 2004 to $12.0 million for the three months ended June 30, 2005, an increase of $4.0 million, or 50.4%. This increase is primarily attributable to the acquisition of 46 facilities in the fourth quarter of 2004 and 38 facilities in the first six months of 2005, partially offset by a decrease in operating expenses from our pool of same-store facilities of approximately $0.6 million (see same-store discussion below).

Management fees of $1.1 million for the three months ended June 30, 2004 were replaced by general and administrative expense of $3.2 million for the three months ended June 30, 2005. This transition is attributable to the acquisition of the Predecessor s management company, effective October 27, 2004, in connection with our IPO. Management fees with our wholly-owned subsidiaries were eliminated subsequent to October 27, 2004 and were replaced with management company expenses, which are recorded in general and administrative expenses.

General and administrative costs began with our IPO in October 2004. Therefore, general and administrative expenses increased from $0.0 for the three months ended June 30, 2004 to $3.2 million for the three months ended June 30, 2005. General and administrative costs replace management fees previously incurred by the Predecessor. General and administrative costs for the three months ended June 30, 2005 included expenses related to being a public company, including regulatory fees of the Public Company Accounting Oversight Board, audit fees, independent board of trustees fees, professional fees related to public company reporting requirements and investor relations costs.

Depreciation increased from $5.3 million for the three months ended June 30, 2004 to $8.7 million for the three months ended June 30, 2005, an increase of $3.4 million, or 66.3%. Approximately $3.2 million of the increase is attributable to the acquisition of 46 facilities in the fourth quarter of 2004 and 38 facilities in the first six months of 2005. The balance of the increase is attributable to a step up in the carrying amount of fixed assets due to the purchase of outside partners interests in the Predecessor in May 2004, which was partially offset by lower depreciation on fully-amortized equipment with lives significantly shorter than new buildings and improvements.

Interest expense increased from $6.0 million for the three months ended June 30, 2004 to $7.1 million for the three months ended June 30, 2005, an increase of $1.1 million, or 19.0%. The increase is primarily attributable to a higher amount of outstanding debt in 2005.

Loan procurement amortization expense decreased from $2.0 million for the three months ended June 30, 2004 to $0.4 million for the three months ended June 30, 2005, a decrease of $1.6 million, or 81.2%. This decrease is primarily attributable to significant loan procurement costs recorded in the second quarter of 2004 as a result of the Predecessor entering into a term loan in May 2004.

Comparison of Operating Results for the Six Months Ended June 30, 2005 and 2004

Total Revenues

Rental income increased from $39.8 million for the six months ended June 30, 2004 to $59.1 million for the six months ended June 30, 2005, an increase of $19.3 million, or 48.6%. This increase is primarily attributable to (i) the acquisition of 46 facilities in the fourth quarter of 2004 and 38 facilities in the first six months of 2005 and (ii) an increase in revenues from our pool of same-store facilities of approximately $2.7 million (see same-store discussion below).

Other property related income increased from $2.0 million for the six months ended June 30, 2004 to $4.4 million for the six months ended June 30, 2005, an increase of $2.4 million, or 123.4%. This increase is primarily attributable to the acquisition of 46 facilities in the fourth quarter of 2004 and 38 facilities in the first six months of 2005.

Total Operating Expenses

Property operating expenses increased from $15.7 million for the six months ended June 30, 2004 to $22.8 million for the six months ended June 30, 2005, an increase of $7.1 million, or 45.4%. This increase is primarily attributable to the acquisition of 46 facilities in the fourth quarter of 2004, and 38 facilities in the first half of 2005, partially offset by a decrease in operating expenses from our pool of same-store facilities of approximately $0.6 million (see same-store discussion below).

Management fees of $2.2 million for the six months ended June 30, 2004 were replaced by general and administrative expense of $6.3 million for the six months ended June 30, 2005. This transition is attributable to the acquisition of the Predecessor s management company, effective October 27, 2004, in connection with our IPO. Management fees with our wholly-owned subsidiaries were eliminated subsequent to October 27,

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2004 and were replaced with management company expenses, which are recorded in general and administrative expenses.

General and administrative costs began with our IPO in October 2004. Therefore, general and administrative expenses increased from $0.0 for the six months ended June 30, 2004 to $6.3 million for the six months ended June 30, 2005. General and administrative costs replace management fees previously incurred by the Predecessor. General and administrative costs for the six months ended June 30, 2005 included expenses related to being a public company, including regulatory fees of the Public Company Accounting Oversight Board, audit fees, independent board of trustees fees, professional fees related to public company reporting requirements and investor relations costs.

Depreciation increased from $10.0 million for the six months ended June 30, 2004 to $16.8 million for the six months ended June 30, 2005, an increase of $6.8 million, or 67.9%. Approximately $5.7 million of the increase is attributable to the acquisition of 46 facilities in the fourth quarter of 2004 and 38 facilities in the first six months of 2005. The balance of the increase is attributable to a step up in the carrying amount of fixed assets due to the purchase of outside partners interests in the Predecessor in May 2004, which was partially offset by lower depreciation on fully-amortized equipment with lives significantly shorter than new buildings and improvements.

Interest expense increased from $9.7 million for the six months ended June 30, 2004 to $12.9 million for the six months ended June 30, 2005, an increase of $3.2 million, or 32.9%. The increase is primarily attributable to a higher amount of outstanding debt in 2005.

Loan procurement amortization expense decreased from $2.2 million for the six months ended June 30, 2004 to $0.8 million for the six months ended June 30, 2005, a decrease of $1.4 million, or 65.8%. This decrease is primarily attributable to significant loan procurement costs recorded in the second quarter of 2004 as a result of the Predecessor entering into a term loan in May 2004.

Comparison of Operating Results for the Years Ended December 31, 2004 and 2003

For purposes of the following comparison of operating results for the years ended December 31, 2004 and December 31, 2003, we have combined our results of operations for the period from October 21, 2004 through December 31, 2004 and the Predecessor for the period from January 1, 2004 through October 20, 2004. Internally, we use combined reporting to evaluate our operating performance and believe that this presentation will provide investors with additional insight into our financial results.

Acquisition and Development Activities

The comparability of our results of operation is significantly affected by development, redevelopment and acquisition activities in 2004 and 2003. At December 31, 2004 and 2003 we owned interests in 201 and 155 self-storage facilities and related assets, respectively.

In 2004, 46 self-storage facilities were acquired for approximately $221.8 million. All of these facilities were acquired concurrently with, or shortly after, the completion of our IPO.

In 2003, one self-storage facility was acquired for approximately $3.2 million and we completed and placed in service one expansion of an existing self-storage facility for approximately $2.5 million. During this same period four self-storage facilities and one commercial property were sold, which facilities and property have been accounted for as discontinued operations.

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A comparison of income (loss) from continuing operations before minority interest for the years ended December 31, 2004 and 2003 is as follows:

	Year Ended December 31,	
	2004(1)	2003
	($ in thousands)	
REVENUES:		
Rental income	$ 86,945	$ 76,898
Other property related income	4,663	3,916
Total revenues	91,608	80,814
OPERATING EXPENSES:		
Property operating expenses	35,666	28,096
Depreciation	22,328	19,494
General and administrative	4,254	
Management fees related party	3,689	4,361
Total operating expenses	65,937	51,951
OPERATING INCOME	25,671	28,863
OTHER INCOME (EXPENSE):		
Interest expense	(23,813)	(15,128)
Loan procurement amortization expense	(5,967)	(1,015)
Early extinguishment of debt	(7,012)	
Cost incurred to acquire management company	(22,152)	
Other	28	12
Total other expense	(58,916)	(16,131)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST	$ (33,245)	$ 12,732

(1) The twelve months ended December 31, 2004 represents consolidated operating results for the Company from October 21, 2004 to December 31, 2004 and combined operating results for the Predecessor from January 1, 2004 to October 20, 2004. The operating results for the year ended December 31, 2004 are not comparable to future expected operating results of the Company since they include various IPO-related charges.

Comparison of Operating Results for the Years Ended December 31, 2004 and 2003 (Not including discontinued operations)

Total Revenues

Rental income increased from $76.9 million in 2003 to $86.9 million in 2004, an increase of $10.0 million, or 13.0%. This increase is primarily attributable to (i) the acquisition of 46 facilities in 2004 and (ii) an increase in revenues from our pool of same-store facilities of approximately $4.7 million (see same-store discussion below).

Other property related income increased from $3.9 million in 2003 to $4.7 million in 2004, an increase of $0.8 million, or 20.5%. This increase is primarily attributable to the acquisition of 46 facilities in 2004.

Total Operating Expenses

Property operating expenses increased from $28.1 million in 2003 to $35.7 million in 2004, an increase of $7.6 million, or 27.0%. This increase is primarily attributable to (i) the acquisition of 46 facilities in 2004 and (ii) an increase in operating expenses from our pool of same-store facilities of approximately $3.7 million (see same-store discussion below).

Management fees decreased from $4.4 million in 2003 to $3.7 million in 2004, a decrease of $0.7 million, or 15.9%. This decrease is primarily attributable to the acquisition of our management company effective October 27, 2004 in connection with our IPO. Management fees with our wholly-owned subsidiaries were eliminated subsequent to October 27, 2004 and were replaced with management company expenses, which are recorded in general and administrative expenses.

General administrative costs began with our IPO in October 2004. Therefore, general and administrative expenses increased from $0.0 in 2003 to $4.3 million in 2004. Included in these costs is a charge of $2.4 million for deferred shares granted to certain members of our senior management team and $0.4 million of cash bonuses paid to these executives. The remaining $1.5 million includes expenses for our management company and other costs incurred in connection with being a public company.

Depreciation increased from $19.5 million in 2003 to $22.3 million in 2004, an increase of $2.8 million, or 14.4%. This increase is partially attributable to a step up in the carrying amount of fixed assets due to the purchase of outside partners interests in the Predecessor in May 2004, which was partially offset by lower depreciation on fully amortized equipment with lives significantly shorter than new buildings and improvements. The increase is also attributable to the acquisition of 46 additional facilities in 2004.

Interest expense increased from $15.1 million in 2003 to $23.8 million in 2004, an increase of $8.7 million, or 57.6%. The increase is attributable to a higher amount of outstanding debt and higher interest rates in 2004 primarily resulting from loans obtained in connection with our formation transactions.

Loan procurement amortization expense increased from $1.0 million in 2003 to $6.0 million in 2004, an increase of $5.0 million, or 500.0%. This increase is primarily attributable to deferred financing costs incurred in connection with obtaining a $424.5 million term loan in May 2004 that was used to purchase interests of outside partners in the Predecessor.

In the fourth quarter of 2004, we incurred a charge of $7.0 million for the early extinguishment of debt primarily due to the incurrence of approximately $0.9 million of prepayment penalties and the write-off of $6.1 million of unamortized loan costs.

Cost incurred to acquire the management company as part of our IPO transactions resulted in a one-time charge of $22.2 million in 2004.

Comparison of Operating Results for the Years Ended December 31, 2003 and 2002

Acquisition and Development Activities

The comparability of our results of operations is significantly affected by our development, redevelopment and acquisition activities in 2003 and 2002. At December 31, 2003 and 2002 we owned interests in 155 and 159 self-storage facilities and related assets, respectively.

In 2003, we acquired one self-storage facility for approximately $3.2 million, and we completed and placed in service one expansion of an existing self-storage facility for approximately $2.5 million. During this same period we sold four self-storage facilities and one commercial property, which are accounted for as discontinued operations.

In 2002, we acquired three facilities for approximately $19.4 million and we completed and placed in service four significant development facilities for approximately $19.1 million and nine expansions of our existing facilities for approximately $5.2 million.

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A comparison of income (loss) from continuing operations before minority interest for the years ended December 31, 2003 and 2002 is as follows:

	Year Ended December 31,	
	2003	2002
	($ in thousands)	
REVENUES:		
Rental income	$ 76,898	$ 72,719
Other property related income	3,916	3,866
Total revenues	80,814	76,585
OPERATING EXPENSES:		
Property operating expenses	28,096	26,075
Depreciation	19,494	19,656
Management fees related party	4,361	4,115
Total operating expenses	51,951	49,846
OPERATING INCOME	28,863	26,739
OTHER INCOME (EXPENSE):		
Interest expense	(15,128)	(15,944)
Loan procurement amortization expense	(1,015)	(1,079)
Other	12	
Total other expense	(16,131)	(17,023)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST	$ 12,732	$ 9,716

Comparison of Operating Results for the Years Ended December 31, 2003 and 2002 (Not including discontinued operations)

Total Revenues

Rental income increased from $72.7 million in 2002 to $76.9 million in 2003, an increase of $4.2 million, or 5.8%. $3.5 million of this increase is attributable to increased occupancy and $0.7 million of this increase is attributable to increased rents.

Other property related income remained flat at $3.9 million in 2002 and 2003.

Total Operating Expenses

Property operating expenses increased from $26.1 million in 2002 to $28.1 million in 2003, an increase of $2.0 million, or 7.7%. Payroll expenses increased by approximately $0.6 million, attributable to higher incentive payments as a result of increased revenues and increased number of personnel. Property taxes and insurance increased by approximately $0.7 million. This increase is primarily attributable to increased assessed values resulting in higher real estate taxes. Other operating costs increased by approximately $1.0 million. This increase is primarily attributable to significantly higher snow removal costs associated with the unusually severe winter in 2003.

Management fees increased from $4.1 million in 2002 to $4.4 million in 2003, or 7.3%. This increase is attributable to higher revenues, on which management fees are based. Most of our management agreements during the periods presented provided that management fees were based on 5.35% of total revenues collected.

Depreciation decreased from $19.7 million in 2002 to $19.5 million in 2003, or 1.0%. This decrease is attributable to fully amortized equipment with lives significantly shorter than new buildings and improvements.

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Interest expense decreased from $15.9 million in 2002 to $15.1 million in 2003, or 5.0%. The decrease is due to lower interest rates in 2003 on variable rate debt outstanding during both periods.

Impact of Hurricane Katrina

Hurricane Katrina caused damage at our 15 facilities that are located in Alabama, Louisiana and Mississippi. We estimate that uninsured damages resulting from the hurricane will total approximately $0.5 million. We do not believe that these damages will cause any material long-term service interruption and all 15 facilities are covered by business interruption insurance. Currently 14 of the facilities are open and operational.

Same-Store Facility Results

We consider our same-store portfolio to consist of only those facilities owned by us at the beginning and at the end of the applicable periods presented.

We consider the following same-store presentation to be useful to investors in evaluating our performance because it provides information relating to changes in facility-level operating performance without taking into account the effects of acquisitions, developments or dispositions. The following table sets forth operating data for our same-store portfolio for the periods presented.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2005	2004	Percent Change	2005	2004	Percent Change
			($ in thousands)			
Same-store revenues	$ 22,650	$ 21,207	6.8%	$ 44,445	$ 41,731	6.5%
Same-store property operating expenses	7,389	7,987	(7.5)%	15,145	15,685	(3.4)%
Non same-store revenues	11,134			19,054		
Non same-store property operating expenses	4,625			7,665		
Total revenues	33,784	21,207		63,499	41,731	
Total property operating expenses	12,014	7,987		22,810	15,685	
Number of facilities included in same-store analysis	154			154		

	Year Ended December 31,			Year Ended December 31,		
	2004	2003	Percent Change	2003	2002	Percent Change
			($ in thousands)			
Same-store revenues	$ 79,403	$ 74,661	6.4%	$ 60,958	$ 59,300	2.8%
Same-store property operating expenses	29,085	25,410	14.5%	20,657	19,589	5.5%
Non same-store revenues	12,205	6,153		19,856	17,285	
Non same-store property operating expenses	6,581	2,686		7,439	6,486	
Total revenues	91,608	80,814		80,814	76,585	
Total property operating expenses	35,666	28,096		28,096	26,075	

Number of facilities included in same-store analysis	142	121

Comparison of the Same-Store Results for the Three Months Ended June 30, 2005 and 2004

Same-store revenues increased from $21.2 million for the three months ended June 30, 2004 to $22.7 million for the three months ended June 30, 2005, an increase of $1.5 million, or 6.8%. Approximately

$0.6 million of this increase was attributable to increased occupancy and $0.9 million of this increase was attributable to increased rents.

Same-store property operating expenses decreased from $8.0 million for the three months ended June 30, 2004 to $7.4 million for the three months ended June 30, 2005, a decrease of $0.6 million, or 7.5%. This decrease was primarily attributable to lower building and landscaping maintenance. In addition, 2004 included expenses incurred relating to initiatives we undertook in anticipation of being a public company, including changing the logo at some of the facilities, advertising, and certain expenditures related to upgrading computer equipment and software.

Comparison of the Same-Store Results for the Six Months Ended June 30, 2005 and 2004

Same-store revenues increased from $41.7 million for the six months ended June 30, 2004 to $44.4 million for the six months ended June 30, 2005, an increase of $2.7 million, or 6.5%. Approximately $1.0 million of this increase was attributable to increased occupancy and $1.7 million of this increase was attributable to increased rents.

Same-store property operating expenses decreased from $15.7 million for the six months ended June 30, 2004 to $15.1 million for the six months ended June 30, 2005, a decrease of $0.6 million or 3.4%. This decrease was primarily attributable to lower building and landscaping maintenance, partially offset by increased property taxes. In addition, 2004 included expenses incurred relating to initiatives we undertook in anticipation of being a public company, including, changing the logo at some of the facilities advertising and certain expenditures related to upgrading computer equipment and software.

Comparison of the Same-Store Results for the Years Ended December 31, 2004 and 2003

Same-store revenues increased from $74.7 million in 2003 to $79.4 million in 2004, an increase of $4.7 million, or 6.4%. Approximately $2.1 million of this increase was attributable to increased occupancy and $2.6 million of this increase was attributable to increased rents.

Same-store property operating expenses increased from $25.4 million in 2003 to $29.1 million in 2004, an increase of $3.7 million, or 14.5%. This increase was primarily attributable to increased payroll expenses caused by an increase in the number of personnel and related costs including facility managers, higher compensation costs for performance incentives, district managers hired during the year to fill previously vacant job positions and lengthening the operating hours of some of our facilities. Other same-store operating costs also increased due to costs incurred in connection with changes in our logo, higher computer costs and bad debt expense.

Comparison of the Same-Store Results for the Years Ended December 31, 2003 and 2002

Same-store revenues increased from $59.3 million in 2002 to $61.0 million in 2003, an increase of $1.7 million, or 2.8%. Approximately $0.2 million of this increase was attributable to increased occupancy and $1.5 million of this increase was attributable to increased rents.

Same-store property operating expenses increased from $19.6 million in 2002 to $20.7 million in 2003, an increase of $1.1 million, or 5.5%. This increase was primarily attributable to increased payroll expenses, property taxes, and insurance.

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Cash Flows

A comparison of cash flow provided by (used in) operating, investing and financing activities for the six months ended June 30, 2005 and 2004 is as follows:

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004	Increase (Decrease)
	($ in thousands)		
Net cash provided by (used in):			
Operating activities	$ 21,468	$ 16,994	$ 4,474
Investing activities	$ (122,789)	$ (2,788)	$ (120,001)
Financing activities	$ 78,644	$ (18,637)	$ 97,281

Comparison of Cash Flows for the Six Months Ended June 30, 2005 and 2004

Cash provided by operations increased from $17.0 million for the six months ended June 30, 2004 to $21.5 million for the six months ended June 30, 2005, an increase of $4.5 million. The increase is primarily related to the acquisition of 46 facilities in the fourth quarter of 2004 and 38 facilities in the first six months of 2005 as compared to the acquisition of no self-storage facilities in the first six months of 2004.

Cash used in investing activities increased from $2.8 million for the six months ended June 30, 2004 to $122.8 million for the six months ended June 30, 2005, an increase of $120.0 million. The increase is primarily attributable to the acquisition of 38 facilities in the first six months of 2005 as compared to the acquisition of no self-storage facilities in the first six months of 2004.

Cash provided by (used in) financing activities increased from $(18.6) million used in financing activities for the six months ended June 30, 2004 to $78.6 million provided by financing activities during the six months ended June 30, 2005, an increase of $97.3 million. This increase is primarily attributable to new borrowings on our revolving credit facility used to facilitate the purchase of self-storage facilities, partially offset by the payment of shareholder distributions in the first six months of 2005.

Comparison of Cash Flows for the Years Ended December 31, 2004 and 2003

A comparison of cash flow provided by (used in) operating, investing and financing activities for the years ended December 31, 2004 and 2003 is as follows:

	Year Ended December 31, 2004	Year Ended December 31, 2003	Increase (Decrease)
	($ in thousands)		
Net cash provided by (used in):			
Operating activities	$ 34,938	$ 34,227	$ 711
Investing activities	$ (234,189)	$ (2,507)	$ (231,682)
Financing activities	$ 220,233	$ (25,729)	$ 245,962

Cash provided by operations increased from $34.2 million in 2003 to $34.9 million in 2004, an increase of $0.7 million, or 2.0%. The increase is primarily attributable to an increase in the income from continuing operations.

Cash used in investing activities increased from $2.5 million in 2003 to $234.2 million in 2004, an increase of $231.7 million. The increase is primarily attributable to a much larger number of self-storage facilities acquired in 2004 versus 2003.

Cash provided by financing activities increased from $25.7 million in 2003 to $220.2 million in 2004, an increase of $245.9 million. This increase is primarily attributable to the proceeds from our IPO and new borrowings, partially offset by the repayment of certain existing loans in 2004.

Comparison of Cash Flows for the Years Ended December 31, 2003 and 2002

A comparison of cash flow provided by (used in) operating, investing and financing activities for the years ended December 31, 2003 and 2002 is as follows:

	Year Ended December 31, 2003	Year Ended December 31, 2002	Increase (Decrease)
	($ in thousands)		
Net cash provided by (used in):			
Operating activities	$ 34,227	$ 31,642	$ 2,585
Investing activities	$ (2,507)	$ (33,212)	$ (30,705)
Financing activities	$ (25,729)	$ (818)	$ (24,911)

Cash provided by operations increased from $31.6 million in 2002 to $34.2 million in 2003, an increase of $2.6 million, or 8.2%. This increase is primarily attributable to an increase in income from continuing operations.

Cash used in investing activities decreased from $33.2 million in 2002 to $2.5 million in 2003, a decrease of $30.7 million, or 92.5%. This decrease is primarily attributable to a decrease in acquisitions and improvements of self-storage facilities in 2003 as compared to 2002.

Cash used in financing activities increased from $0.8 million in 2002 to $25.7 million in 2003, an increase of $24.9 million. This increase is primarily attributable to lower borrowings and partner contributions required as a result of the reduced level of acquisition activity of self-storage facilities in 2003 as compared to 2002.

Liquidity and Capital Resources

As of June 30, 2005, we had total indebtedness outstanding of approximately $489.4 million, as compared to the $380.5 million of debt outstanding at December 31, 2004. This indebtedness has maturity dates from November 2006 to January 2014. Each of the loans representing this indebtedness has customary restrictions on transfer or encumbrances of the mortgaged facilities.

In connection with our IPO, on October 27, 2004, our operating partnership entered into a three-year $150.0 million revolving credit facility, which had approximately $34.1 million of available capacity as of June 30, 2005. The facility is scheduled to terminate on October 27, 2007, with an option to extend the termination date to October 27, 2008. Borrowings under the facility bear interest at a variable rate based upon a base rate or a Eurodollar rate plus, in each case, a spread depending on our leverage ratio. The credit facility is secured by certain of our self-storage facilities and requires that we maintain a minimum borrowing base of properties. The primary purpose of the facility is to fund the acquisition and development of self-storage facilities, to satisfy other short and long term liquidity needs, and for general working capital purposes. This facility contains certain restrictive covenants on distributions and other financial covenants, including the following, all of which we were in compliance with as of June 30, 2005:

Maximum total indebtedness to total asset value of 65%;

Minimum interest coverage ratio of 2.0:1;

Minimum fixed charge coverage ratio of 1.7:1; and

Minimum tangible net worth of $400.0 million.

The revolving credit facility also has customary restrictions on transfer or encumbrances of the facilities that secure the loan.

Since June 30, 2005, we have entered into two additional fixed rate mortgage loans under which we borrowed an additional $160 million. Each of these loans is secured by certain of our storage facilities. The loans were used primarily to fund acquisitions of 72 additional facilities by us, as well as to pay down approximately $65.0 million of the amounts outstanding under our revolving credit facility. One of these loans matures in August 2012, the other matures in September 2012, and both contain customary restrictions on transfer or encumbrances of the facilities that secure the loans.

Our cash flow from operations historically has been one of our primary sources of liquidity to fund debt service, distributions and capital expenditures. We derive substantially all of our revenue from customers who lease space from us at our facilities. Therefore, our ability to generate cash from operations is dependent on the rents that we are able to charge and collect from our customers. While we believe that facilities in which we invest self-storage facilities are less sensitive to near-term economic downturns, prolonged economic downturns will adversely affect its cash flow from operations.

In order to qualify as a REIT for federal income tax purposes, we are required to distribute at least 90% of our REIT taxable income, excluding capital gains, to our shareholders on an annual basis.

The nature of our business, coupled with the requirement that we distribute a substantial portion of our income on an annual basis, will cause us to have substantial liquidity needs over both the short term and the long term. Our short-term liquidity needs consist primarily of funds necessary to pay operating expenses associated with our facilities, interest expense and scheduled principal payments on debt, expected distributions to limited partners and shareholders and recurring capital expenditures. These expenses, as well as the amount of recurring capital expenditures that we incur, will vary from year to year, in some cases significantly. For the second half of 2005 we expect to incur approximately $1.4 million of costs for recurring capital expenditures. In addition, we anticipate spending an additional approximately $16.3 million in the remainder of 2005 and in 2006 for renovations and improvements at our facilities that were owned as of July 31, 2005. We expect to meet our short-term liquidity needs through cash generated from operations and, if necessary, from borrowings under our revolving credit facility.

Our long-term liquidity needs consist primarily of funds necessary to pay for development of new facilities, redevelopment of operating facilities, non-recurring capital expenditures, acquisitions of facilities and repayment of indebtedness at maturity. In particular, we intend to actively pursue the acquisition of additional facilities, which will require additional capital. We do not expect that we will have sufficient funds on hand to cover these long-term cash requirements. We will have to satisfy these needs through either additional borrowings, including borrowings under our revolving credit facility, sales of common or preferred shares and/or cash generated through facility dispositions and joint venture transactions.

We believe that, as a publicly traded REIT, we will have access to multiple sources of capital to fund long-term liquidity requirements, including the incurrence of additional debt and the issuance of additional equity. However, as a new public company, we cannot assure that this will be the case. Our ability to incur additional debt will be dependent on a number of factors, including our degree of leverage, the value of our unencumbered assets and borrowing restrictions that may be imposed by lenders. Our ability to access the equity capital markets will be dependent on a number of factors as well, including general market conditions for REITs and market perceptions about us.

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Contractual Obligations

The following table summarizes our known contractual obligations as of June 30, 2005 (based on a calendar year, dollars in thousands):

		Payments Due by Period			
Contractual Obligations	**Total**	**Less Than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**
Loans Payable	$ 489,372	$ 1,573	$ 213,379	$ 98,606	$ 175,814
Contractual Capital Lease Obligations	90	19	71		
Ground Leases and Third Party Office Lease	746	78	298	126	244
Related Party Office Lease	3,280	153	662	663	1,802
Employment Contracts	2,750	550	2,200		
Total	$ 496,238	$ 2,373	$ 216,610	$ 99,395	$ 177,860

We expect that the contractual obligations owed in 2005 will be satisfied out of the proceeds of this offering, cash generated from operations and, if necessary, draws under our revolving credit facility.

In connection with our acquisition of the National Self Storage portfolio, we issued units in our operating partnership with an initial value of approximately $61.5 million to the former owners of the National Self Storage facilities. The purchase agreement related to the National Self Storage acquisition includes a provision permitting these unitholders, beginning one year after issuance of the units and for a period of seven years from the date of the closing and subject to certain conditions, to redeem a portion of their units by requiring us to purchase, and simultaneously transfer to them, real estate properties to be identified by them with a purchase price equal to the fair value of such units. Our contractual obligation under this agreement may not exceed $40.0 million in any one year. This potential obligation is not reflected in the table above.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Quantitative and Qualitative Disclosures About Market Risk

Our future income, cash flows and fair values relevant to financial instruments depend upon prevailing interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates.

Effect of Changes in Interest Rates on our Outstanding Debt

As of June 30, 2005, we had approximately $390.9 million of fixed rate debt outstanding. A change in the interest rates on fixed rate debt generally impacts the fair market value of our debt but it has no impact on interest incurred or cash flow. To determine the fair value, the fixed rate debt is discounted at a rate based on an estimate of current lending rates, assuming the debt is outstanding through maturity or projected refinancing dates. At June 30, 2005, the fair value of our long term fixed rate debt was estimated to be $386.7 million. A 100 basis point increase in interest rates would result in a decrease in the fair value of this fixed rate debt of approximately $12.7 million at June 30, 2005. A 100 basis point decrease in interest rates would result in an increase in the fair value of this fixed rate debt of approximately $13.4 million at June 30, 2005.

As of June 30, 2005, we had approximately $98.5 million of variable rate debt outstanding (representing approximately 20% of our total debt). Based upon the balances outstanding on variable rate debt at June 30, 2005, a 100 basis point increase or decrease in interest rates on variable rate debt would increase or decrease future interest expense by approximately $1.0 million annually. We do not currently use derivative financial instruments to reduce our exposure to changes in interest rates.

Inflation

Virtually all of our customers rent units in our facilities subject to short-term, typically month-to-month, leases, which provide us the ability to increase rental rates as each lease expires, thereby enabling us to seek to mitigate our exposure to increased costs and expenses resulting from inflation. However, there is no assurance that the market will accept rental increases.

OUR BUSINESS AND FACILITIES

Our Company

We are a self-administered and self-managed real estate company focused on the ownership, operation, acquisition and development of self-storage facilities in the United States. We are one of the largest owners and operators of self-storage facilities in the United States.

As of July 31, 2005, we owned 308 self-storage facilities located in 25 states and aggregating approximately 18.9 million rentable square feet. As of July 31, 2005, we also managed 13 additional facilities owned by Rising Tide Development and we have the right to manage two additional facilities that may be acquired by Rising Tide Development from unaffiliated third parties. As of July 31, 2005, our 308 facilities were approximately 84.5% leased to a total of approximately 134,000 tenants and no single customer accounted for more than 1% of our annual rent.

We also have the option to purchase from Rising Tide Development 15 self-storage facilities, consisting of 13 facilities owned by Rising Tide Development and two facilities which Rising Tide Development has the right to acquire from unaffiliated third parties. These 15 facilities are currently under development or not yet fully stabilized and are expected to contain approximately 1.2 million rentable square feet in the aggregate. See Our Facilities Option Facilities below.

Our self-storage facilities are designed to offer affordable, easily-accessible and secure storage space for our approximately 134,000 residential and commercial customers. Our customers rent storage units for their exclusive use, typically on a month-to-month basis. Additionally, some of our facilities offer outside storage areas for vehicles and boats. Our facilities are specifically designed to accommodate both residential and commercial customers, with features such as security systems and wide aisles and load-bearing capabilities for large truck access. All of our facilities have an on-site manager during business hours, and 226, or approximately 73%, of our facilities have a manager who resides in an apartment at the facility. Our customers can access their storage units during business hours, and some of our facilities provide customers with 24-hour access through computer controlled access systems. Our goal is to provide our customers with the highest standard of facilities and service in the industry. To that end, 51% of our facilities include climate controlled units, compared to the national average of 26%.

We were formed to succeed to the self-storage operations owned directly and indirectly by Robert J. Amsdell, Barry L. Amsdell, Todd C. Amsdell and the Amsdell Entities. The Amsdell family has been involved in the development, ownership and management of real estate in a variety of property types for over 70 years, and has been involved in the self-storage industry for over 30 years. During the 30 year period prior to our IPO, Robert J. Amsdell and Barry L. Amsdell acquired, developed or redeveloped more than 200 self-storage facilities for themselves and others in the industry.

We are organized as a real estate investment trust under Maryland law, and we believe that we qualify for taxation as a REIT for federal income tax purposes beginning with our short taxable year ended December 31, 2004. We commenced operations as a publicly-traded REIT in October 2004 after completing the mergers of certain Amsdell Entities with and into us, our IPO, and the consummation of various other formation transactions which occurred concurrently with, or shortly after, completion of our IPO.

We conduct all of our business through U-Store-It, L.P., our operating partnership, of which we serve as general partner, and its subsidiaries. As of July 31, 2005, we held approximately 87.8% of the aggregate partnership interests in our operating partnership. Since its formation in 1996, our operating partnership has been engaged in virtually all aspects of the self-storage business, including the development, acquisition, ownership and operation of self-storage facilities.

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Developments Since Our IPO

Acquisitions Completed Through July 31, 2005

From the time of our IPO through July 31, 2005, we have completed the acquisitions of 154 facilities, totaling approximately 9.0 million rentable square feet. The aggregate cost of these acquisitions was approximately $580 million. The following table sets forth certain summary information regarding these acquisitions.

Acquisitions Since IPO
(through July 31, 2005)

						Number of Facilities										
						Top Targeted Markets										
Facility/Portfolio	Acquisition Closing	Total Rentable Square Feet	Number of Units	July 31, 2005 Occupancy(1)	Total Number of Facilities	IL	OH	TX	CA	FL	CT	CO	NY	NJ	Other States	Purchase Price (000 s)
National Self Storage Portfolio	July 2005	3,742,582	32,939	86.1%	70			15	11			5			39	$ 212,000
Metro Storage Portfolio	October 2004	2,600,958	22,901	78.3%	42	24	4			4					10	184,000
Liberty Self-Stor Portfolio(2)	April 2005	908,609	7,022	79.7%	17		14						3			33,400
Individual Facility and Small Portfolio Acquisitions:																
Ford Storage Portfolio	March 2005	257,656	1,642	80.4%	5						5					15,500
A-1 Self Storage Portfolio(3)	March/May 2005	231,457	2,256	90.3%	5						4		1			28,100
Extra Closet Facilities	May 2005	99,178	750	87.1%	2	2										6,800
Dania Beach, FL	November 2004	264,375	1,928	79.9%	1					1						13,900
Frisco I, TX	April 2005	51,079	447	83.1%	1			1								5,700
Frisco II, TX	April 2005	71,539	514	89.1%	1			1								4,200
Ocoee, FL	April 2005	76,258	665	97.6%	1					1						4,950
Bradenton II, FL	October 2004	88,103	904	86.0%	1					1						7,450
West Palm Beach II, FL	October 2004	93,915	913	97.8%	1					1						10,750
Clifton, NJ	July 2005	105,625	1,014	87.6%	1									1		16,800
Gaithersburg, MD	January 2005	87,170	798	80.2%	1										1	10,700
California, MD	November 2004	67,528	722	89.6%	1										1	5,700
Tempe, AZ	July 2005	53,525	408	85.0%	1										1	2,900

Option Facilities:															
San Bernardino VII, CA	January 2005	83,756	636	78.6%	1				1						7,300
Orlando II, FL	March 2005	92,944	788	94.8%	1					1					6,100
Boynton Beach II, FL	March 2005	62,276	609	92.7%	1					1					4,000
Total Completed Acquisitions		**9,038,533**	**77,856**	**83.3%**	**154**	**26**	**18**	**17**	**12**	**10**	**9**	**5**	**4**	**1**	**52**	**$ 580,250**

(1) Represents occupied square feet divided by total rentable square feet, as of July 31, 2005.

(2) Information excludes the one facility from this portfolio subsequently sold by us in June 2005.

(3) The acquisition of four of the facilities from A-1 Self Storage was completed in March 2005, and the final facility was acquired in May 2005.

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Set forth below is a discussion of each of the acquisitions completed from the time of our IPO in October 2004 through July 31, 2005.

Acquisition of National Self Storage Portfolio. On July 26, 2005, we completed the acquisition of 70 self-storage facilities from National Self Storage for an aggregate purchase price of approximately $212.0 million. The purchase price consisted of approximately $61.5 million of units in our operating partnership (consisting of approximately 8.6% of the units in our operating partnership as of July 31, 2005), the assumption of approximately $80.8 million of outstanding debt by our operating partnership, and approximately $69.7 million in cash. These facilities total approximately 3.7 million rentable square feet and includes self-storage facilities located in our existing markets in Southern California, Arizona and Tennessee and in new markets in Texas, Northern California, New Mexico, Colorado and Utah.

Acquisition of Metro Storage Portfolio. On October 27, 2004, we acquired 42 self-storage facilities from Metro Storage LLC for an aggregate purchase price of $184.0 million. These facilities total approximately 2.6 million rentable square feet and are located in Illinois, Indiana, Florida, Ohio and Wisconsin.

Acquisition of Liberty Self-Stor Portfolio. On April 5, 2005, we acquired 18 self-storage facilities from Liberty Self-Stor Ltd., a subsidiary of Liberty Self-Stor, Inc., for an aggregate purchase price of $34.0 million. These facilities total approximately 926,000 rentable square feet and are located in Ohio and New York. On June 15, 2005, we sold one of these facilities, containing approximately 17,000 rentable square feet, for approximately $0.6 million.

Individual Facility and Small Portfolio Acquisitions.

Acquisition of Ford Storage Portfolio. On March 1, 2005, we acquired five self-storage facilities from Ford Storage for an aggregate purchase price of $15.5 million. These facilities total approximately 258,000 rentable square feet and are located in central Connecticut.

Acquisition of A-1 Self-Storage Portfolio. On March 15, 2005, we acquired five self-storage facilities from A-1 Self Storage for an aggregate purchase price of approximately $21.7 million. These facilities total approximately 201,000 rentable square feet and are located in Connecticut. We now operate two of these facilities as one facility. On May 5, 2005, we acquired an additional self-storage facility from A-1 Self Storage for approximately $6.4 million. This facility contains approximately 30,000 rentable square feet and is located in New York.

Acquisition of Extra Closet Facilities. On May 24, 2005, we acquired two facilities from Extra Closet for an aggregate purchase price of approximately $6.8 million. These facilities total approximately 99,000 rentable square feet and are located in Illinois.

Acquisition of Dania Beach, FL Facility. On November 1, 2004, we acquired one self-storage facility, located in Dania Beach, FL, for a purchase price of approximately $13.9 million. This facility contains approximately 264,000 rentable square feet.

Acquisition of Frisco I & II, TX and Ocoee, FL Facilities. In April 2005, we acquired three self-storage facilities, two located in Frisco, TX and one in Ocoee, FL, for an aggregate purchase price of approximately $14.9 million. These facilities total approximately 199,000 rentable square feet.

Acquisition of Bradenton II, FL and West Palm Beach II, FL Facilities. On October 28, 2004, we acquired two self-storage facilities, one located in Bradenton, FL and one in West Palm Beach, FL, for an aggregate purchase price of approximately $18.2 million. These facilities total approximately 182,000 rentable square feet.

Acquisition of Clifton, NJ Facility. On July 15, 2005, we acquired one self-storage facility, located in Clifton, NJ, for a purchase price of $16.8 million. This facility contains approximately 106,000 rentable square feet.

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Acquisition of Gaithersburg, MD Facility. On January 14, 2005, we acquired one self-storage facility, located in Gaithersburg, MD, for a purchase price of approximately $10.7 million, consisting of $4.3 million in cash and the assumption of $6.4 million of indebtedness. This facility contains approximately 87,000 rentable square feet.

Acquisition of California, MD Facility. On November 1, 2004, we acquired one self-storage facility, located in California, MD, for a purchase price of approximately $5.7 million. This facility contains approximately 68,000 rentable square feet.

Acquisition of Tempe, AZ Facility. On July 11, 2005, we acquired one self-storage facility, located in Tempe, AZ, for a purchase price of approximately $2.9 million. This facility contains approximately 54,000 rentable square feet.

Acquisitions of Option Facilities.

Acquisition of San Bernardino VII, CA Facility. On January 5, 2005, we purchased the San Bernardino VII, CA facility from Rising Tide Development pursuant to our option agreement. The purchase price was approximately $7.3 million, consisting of $3.8 million in cash (which cash was used to pay off mortgage indebtedness secured by the facility) and $3.5 million in units in our operating partnership. This facility contains approximately 84,000 rentable square feet.

Acquisition of Orlando II, FL and Boynton Beach II, FL Facilities. On March 18, 2005, we purchased the Orlando II, FL and the Boynton Beach II, FL facilities from Rising Tide Development pursuant to our option agreement. The aggregate purchase price was approximately $10.1 million, consisting of $6.8 million in cash and $3.3 million in units in our operating partnership. These facilities total approximately 155,000 rentable square feet.

Acquisitions Completed Since July 31, 2005

On August 4, 2005, we acquired two self-storage facilities, one located in Elizabeth, NJ and one in Hoboken, NJ, for an aggregate purchase price of approximately $8.2 million. These facilities total approximately 74,000 rentable square feet.

Pending Acquisitions

We have entered into agreements to acquire the 31 facilities discussed below, which total approximately 1.9 million rentable square feet. The aggregate purchase price of these facilities is expected to be approximately $143.2 million, including the assumption of approximately $12.3 million of existing mortgage debt. We expect to acquire 14 of these facilities, for an aggregate purchase price of approximately $60.8 million, on or before September 30, 2005, eight of these facilities, for an aggregate purchase price of approximately $29.0 million (including the assumption of approximately $12.3 million of existing mortgage debt), in October 2005, and one of these facilities, for a purchase price of approximately $7.2 million, by the end of 2005. We expect to acquire the remaining eight facilities, for an aggregate purchase price of approximately $46.2 million, during the first half of 2006. However, there can be no assurance that any of these acquisitions will be consummated. The following table sets forth certain summary information regarding these acquisitions.

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Pending Acquisitions

Facility/Portfolio	Total Rentable Square Feet	July 31, 2005 Occupancy(1)	Total Number of Facilities	Number of Facilities by State TX	CO	FL	Purchase Price ($ in thousands)
Texas Portfolio:							
Expected Closings in 2005	226,656	89%	4	4			$ 15,600
Expected Closings in 2006(2)	562,249	46%	8	8			46,200
Dallas, TX Portfolio	461,775	90%	8	8			29,000
Colorado Portfolio	317,394	88%	7		7		19,500
Miami, FL Facilities	150,850	76%	2			2	17,800
Pensacola, FL Facility	78,580	98%	1			1	7,850
Jacksonville, FL Facility(3)	81,500	N/A	1			1	7,200
Total/ Weighted Average	**1,879,004**	**75%**	**31**	**20**	**7**	**4**	**$ 143,150**

(1) Represents occupied square feet divided by total rentable square feet, as of July 31, 2005, as reported by the seller.

(2) Includes one facility currently under construction.

(3) Facility is currently under construction.

Set forth below is a discussion of our Pending Acquisitions.

Texas Portfolio. In July 2005, we entered into an agreement for the acquisition of 12 self-storage facilities located in Texas including one facility currently under construction, for an aggregate purchase price of approximately $61.8 million. These facilities total approximately 789,000 rentable square feet and were 58% occupied as of July 31, 2005. We expect to acquire four of these facilities, for an aggregate purchase price of approximately $15.6 million, on or before September 30, 2005, and the remaining eight of these facilities, for an aggregate purchase price of approximately $46.2 million, during the first half of 2006.

Dallas, Texas Portfolio. In June 2005, we entered into an agreement for the acquisition of eight self-storage facilities located in Dallas, Texas for an aggregate purchase price of approximately $29.0 million, including the assumption of approximately $12.3 million of existing mortgage debt on five of these facilities. These facilities total approximately 462,000 rentable square feet and were 90% occupied as of July 31, 2005. We expect to acquire these facilities in October 2005.

Colorado Portfolio. In June 2005, we entered into an agreement for the acquisition of seven self-storage facilities located in Colorado for an aggregate purchase price of approximately $19.5 million. These facilities total approximately 317,000 rentable square feet and were 88% occupied as of July 31, 2005. We expect to acquire these facilities on or before September 30, 2005.

Miami, Florida Facilities. In June 2005, we entered into an agreement for the acquisition of two self-storage facilities located in Miami, Florida for an aggregate purchase price of approximately $17.8 million. These facilities total approximately 151,000 rentable square feet and were 76% occupied as of July 31, 2005. We expect to acquire these facilities on or before September 30, 2005.

Pensacola, Florida Facility. In June 2005, we entered into an agreement for the acquisition of one self-storage facility located in Pensacola, Florida for a purchase price of approximately $7.9 million. This facility contains approximately 79,000 rentable square feet and was 98% occupied as of July 31, 2005. We expect to acquire this facility on or before September 30, 2005.

Jacksonville, Florida Facility. In January 2005, we entered into an agreement for the acquisition of one self-storage facility located in Jacksonville, Florida for a purchase price of approximately $7.2 million. This facility is currently under construction and is expected to contain approximately

82,000 rentable square feet. This acquisition is expected to close upon the completion of the facility, which is not expected to occur before December 2005.

Completed Financings

We have entered into the following financings since our IPO:

Revolving Credit Facility. On October 27, 2004, concurrently with the closing of our IPO, we and our operating partnership entered into a three-year, $150.0 million secured revolving credit facility with Lehman Brothers Inc. and Wachovia Capital Markets, LLC, joint lead arrangers and joint bookrunners. The facility is scheduled to mature on October 27, 2007, with the option for us to extend the maturity date to October 27, 2008. Borrowings under the facility bear interest at a variable rate based upon a base rate or a Eurodollar rate plus, in each case, a spread depending on our leverage ratio. The credit facility is secured by certain of our self-storage facilities and requires that we maintain a minimum borrowing base of properties. We use this credit facility principally to finance the acquisition and development of self-storage facilities and for general working capital purposes.

Lehman Brothers Fixed Rate Mortgage Loans. Also on October 27, 2004, and concurrently with the closing of our IPO, three of our subsidiaries entered into three separate fixed rate mortgage loans with an aggregate principal amount of approximately $270.0 million. The first mortgage loan, from Lehman Brothers Bank, FSB, is secured by 26 of our facilities, has an initial outstanding principal balance of $90.0 million, bears interest at 5.09% and matures in November 2009. The second mortgage loan, from Lehman Brothers Holdings, Inc., or *Lehman Capital,* is secured by 21 of our facilities, has an initial outstanding principal balance of $90.0 million, bears interest at 5.19% and matures in May 2010. The third mortgage loan, also from Lehman Capital, is secured by 18 of our facilities, has an initial outstanding principal balance of $90.0 million, bears interest at 5.33% and matures in January 2011. Each of these mortgage loans requires us to establish reserves relating to the mortgaged facilities for real estate taxes, insurance and capital spending.

Additional Lehman Brothers Fixed Rate Mortgage Loan. On July 19, 2005, one of our subsidiaries entered into a fixed rate mortgage loan agreement with Lehman Brothers Bank, FSB, as the lender, in the principal amount of $80.0 million. The mortgage loan, which is secured by 24 of our self-storage facilities, bears interest at 5.13% and matures in August 2012. The mortgage loan will become immediately due and payable, and the lender will be entitled to interest on the unpaid principal sum at an increased rate, if any required payment is not paid on or prior to the date when due or on the happening of any other event of default. This mortgage loan requires the borrower to establish reserves relating to the mortgaged facilities for replacements, repairs, real estate taxes and insurance.

LaSalle Bank Fixed Rate Mortgage Loan. On August 4, 2005, one of our subsidiaries entered into a fixed rate mortgage loan agreement with LaSalle Bank National Association, as the lender, in the principal amount of $80.0 million. The mortgage loan, which is secured by 28 of our self-storage facilities, bears interest at 4.96% and matures in September 2012. The mortgage loan will become immediately due and payable, and the lender will be entitled to interest on the unpaid principal sum at an increased rate, if any required payment is not paid on or prior to the date when due or on the happening of any other event of default. This mortgage loan requires the borrower to establish reserves relating to the mortgaged facilities for replacements, repairs, real estate taxes and insurance.

Pending Financings

We expect to enter into a multi-facility fixed rate mortgage loan in October 2005 in the principal amount of up to $75.0 million, which loan will bear interest at 5.98% and mature in October 2015. We assumed the obligation to enter into this loan in connection with the National Self Storage acquisition.

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Our Competitive Advantages

We believe the following strengths will enable us to continue to compete effectively in the self-storage industry:

Significant Scale and Scope As of July 31, 2005, our portfolio of 308 facilities totaled approximately 18.9 million rentable square feet. Our scale and geographic scope have allowed us to compete effectively in the highly fragmented self-storage market, over 80% of which is owned by operators that individually have less than a 0.4% market share, based on rentable square footage, according to the Self-Storage Almanac. As a national owner and operator of self-storage facilities, we continually enhance our business by applying our management expertise and best practices developed across our portfolio to our local facilities. We also benefit from economies of scale and are able to spread our fixed costs across a large base of facilities. In particular, the benefits include negotiating better terms for advertising, insurance and bulk purchasing of ancillary sales items. In addition, we have found it cost-effective to operate a national call center to complement the customer service provided by our on-site property managers. Economies of scale also have assisted us in marketing our U-Store-It brand, which we believe is one of the top brands in the industry, on a national basis. Additionally, our geographic diversification helps to mitigate risks associated with adverse operating conditions in any local or regional market.

Integrated Platform with Operating, Development and Acquisition Expertise We are an integrated self-storage real estate company, which means that we have in-house capabilities in the design, development, leasing, operation and acquisition of self-storage facilities. We also are one of the few self-storage companies with the experience and the capability to make property investments on a national scale through multiple methods acquisitions of operating facilities, development of new facilities and redevelopment of underperforming facilities. Since 1997, we acquired 264 self-storage facilities containing an aggregate of approximately 15.6 million rentable square feet for a total purchase price of approximately $890 million, including 154 facilities (9.0 million rentable square feet) acquired since our IPO for a total purchase price of approximately $580 million. In addition, since 1997 we have developed 14 facilities containing an aggregate of approximately 900,000 rentable square feet at a total development cost of approximately $66 million. We believe that our expertise will enable us to continue to identify and complete acquisitions and developments that may enhance our cash flow and shareholder value.

Focused Operating Philosophy We focus on maintaining and improving profitability at each of our facilities by managing our pricing and occupancy, controlling our operating expenses and monitoring our operating results at the facility level. Each facility manager is empowered to use his or her local market knowledge to make pricing decisions, subject to certain pre-set guidelines and review by our district managers. We believe this decentralized approach to pricing allows us to respond quickly to opportunities to increase rents. Our on-site managers and call center representatives are carefully selected and extensively trained in customer service and marketing skills.

High Quality Facilities Located in Targeted Growth Markets We seek to offer high quality modern facilities and generally focus our acquisitions and developments in metropolitan areas that we consider to be growth markets. Within those metropolitan areas, we believe our facilities are well- located in submarkets with favorable three- to five-mile demographics and demand trends. In addition, since 1999, we spent a total of approximately $16.2 million expanding and improving our facilities. A total of 158, or approximately 51%, of our facilities include climate-controlled units, compared to the national average of 26%, according to the Self-Storage Almanac. As a result, we believe that our portfolio of facilities is among the most modern and well-located in the industry.

Seasoned Management Team Our senior management team has been working together to acquire, develop and operate self-storage facilities for more than ten years. Our top four executives, Robert J. Amsdell, Steven G. Osgood, Todd C. Amsdell and Tedd D. Towsley, have an average of approximately 23 years of real estate experience and have worked in the self-storage industry for an average of approximately 17 years. This experience enables us to capitalize on our industry relationships to identify attractive acquisition and development opportunities and continually improve our operating strategies. In addition, this management team was responsible for several key innovations that have contributed to our continued success, such as the implementation of a national call center, full benefit packages to our employees and the creation of the Diamond Storage Alliance, a network of self-storage operators designed to market self-storage to national commercial customers. After giving effect to this offering, our senior management team, together with Barry L. Amsdell and two related family trusts, will own approximately 18.1% of our common shares on a fully diluted basis. We believe that the significant equity ownership by our senior management team will continue to effectively align its interests with those of our other shareholders.

Our Business and Growth Strategy

Maximize cash flow from our facilities We seek to maximize cash flow from our facilities by increasing rents, increasing occupancy levels, controlling operating expenses and expanding and improving our facilities.

Increasing rents Our operating strategy focuses on achieving the highest sustainable rent levels at each of our facilities. Pricing strategies are established by our facility managers in consultation with their district managers. This flexibility at the local market level has allowed us to respond quickly to opportunities to increase rents. Our annual rent per occupied square foot has increased from an average of $9.13 in 2000 to $10.66 for the twelve months ended June 30, 2005, a 16.8% increase. We believe our practice of providing flexibility for facility managers to set rents is a significant contributing factor to this growth in annual rent per occupied square foot.

Increasing occupancy levels We focus on increasing occupancy levels at our newly developed, recently acquired or recently expanded facilities. We actively lease our facilities while maintaining and, where possible, increasing our pricing levels.

Controlling operating expenses We strive to strictly control our operating expenses. Our regional managers are focused on maximizing profitability at each of our facilities by controlling operating expenses. We also take advantage of economies of scale provided by our expanded platform of facilities to reduce certain property operating expenses such as insurance, advertising and cost of ancillary sales items.

Expanding and improving our facilities We continually analyze whether we can achieve attractive returns on investment in facility expansions and improvements. We seek to satisfy additional demand in certain of our markets by investing in expansions of our facilities which have reached near full occupancy. Additionally, where appropriate (based on physical design of the facility and our expectations regarding additional demand), we upgrade our facilities by adding such features as climate-controlled units, enhanced security systems and interior corridor access to units. Since 1999, we have completed expansions at 16 of our existing facilities totaling approximately $14 million of additional investment, adding an average of approximately 20,000 square feet of rental space at each expanded facility. These expansions have allowed us to capture additional demand, thereby increasing the income from our facilities, and these improvements have allowed us to charge higher rents, thereby enhancing our operating margins.

Acquire facilities within our targeted markets The self-storage industry in the United States is primarily composed of local operators that own single facilities. According to the Self-Storage Almanac, the top ten operators of self-storage facilities (which includes us) collectively own approximately 16% of the aggregate market share of self-storage space, based on rentable square footage, while the remaining approximately 84% is owned by operators that individually have less than a 0.4% market share. We believe the industry will continue to provide us with opportunities for future growth through consolidation due to this highly fragmented composition, the lack of sophistication among many operators, the economies of scale available to a real estate company with a significant number of self-storage facilities, and the difficulties smaller operators face in obtaining capital. We intend to continue to take advantage of these opportunities by utilizing our experience in identifying, evaluating and acquiring self-storage facilities. The experience of our management team and our history of actively acquiring self-storage facilities give us an advantage in identifying attractive potential acquisitions, as we are well-known within the self-storage brokerage community and are often approached directly by principals interested in selling their facilities. Furthermore, we believe that our ability to offer our operating partnership units as a form of acquisition consideration has helped us, and will continue to help us, pursue acquisitions from tax-sensitive private sellers through tax-deferred transactions. We intend to acquire additional facilities primarily in areas that we consider to be growth markets, such as California, Colorado, Florida, Georgia, Illinois, Texas and the Northeastern United States. We also have the option to purchase the option facilities, as described below under Our Facilities Option Facilities, on page 82.

Utilize our development expertise in selective new developments We intend to use our development expertise and access to multiple financing sources to pursue new developments in areas where we have facilities and perceive there to be unmet demand. We believe that our expertise will enable us to mitigate development risks and identify opportunities with attractive potential returns. We expect to continually review internally and externally generated opportunities for new development within areas where we have facilities.

Focus on expanding our commercial customer base We intend to continue focusing on expanding the base of commercial customers that use our facilities for their storage and distribution needs. Our current commercial customers include many types of businesses, including pharmaceutical representatives, food purveyors and small business retailers. Commercial customers are attractive to us because they tend to rent larger units, stay for longer rental periods and are generally less sensitive to rent increases. According to the Self-Storage Almanac, commercial customers currently comprise approximately 20% of self-storage customers nationwide. Although it is difficult to accurately track all of our commercial customers because many business owners and commercial users rent units in the name of an individual, we currently estimate that approximately 15% or more of our revenues are derived from commercial customers. We believe that there are significant growth opportunities in this area as more businesses, such as those in the pharmaceutical and food product industries, begin to employ self-storage for their distribution logistics, favoring self-storage for its relatively low cost, ease of access, security, flexible lease terms, climate control features and proximity to their distribution destinations. Towards this end, we have developed, acquired and redeveloped our facilities with features specifically designed to accommodate commercial customers, including climate-controlled units and wider aisles and greater load-bearing capabilities for large truck access.

Continue to grow ancillary revenues We intend to continue to enhance the cash flow from our facilities by increasing the sales of products and services that complement our customers use of our self-storage facilities. These include the sale of packing supplies and locks, truck and moving equipment rentals and the referral of content insurance to some of our customers. We believe that as the utilization of and uses for self-storage facilities expand in the marketplace our ancillary business will continue to grow. We expect to continue to add additional products to our displays and to expand our display area for ancillary products and services. Our marketing efforts for our ancillary products include in-store signage and yellow page, print and internet advertising. Ancillary revenues generated by our same-store facilities increased from approximately $0.8 million in 2000 to $1.8 million for the twelve months ended June 30, 2005, a 125.0% increase.

Investment and Market Selection Process

We intend to focus on targeted investments in acquisition and development of self-storage facilities. Our investment committee, which consists of certain of our executive officers and is led by Steven G. Osgood, our President and Chief Financial Officer, will oversee our investment process. Our investment process involves five stages identification, initial due diligence, economic assessment, investment committee approval (and when required, board approval) and final due diligence, and documentation. Through our investment committee, we intend to focus on the following criteria:

Targeted Markets Our targeted markets include areas where we currently maintain management that can be extended to additional facilities, or where we believe that we can acquire a significant number of facilities efficiently and within a short period of time. We evaluate both the broader market and the immediate area, typically five miles around the facility, for their ability to support above-average demographic growth. We will seek to grow our presence primarily in areas that we consider to be growth markets in California, Colorado, Florida, Georgia, Illinois, Texas and the Northeastern United States and to enter new markets should suitable opportunities arise.

Quality of Facility We focus on self-storage facilities that have good visibility and are located near retail centers, which typically provide high traffic corridors and are generally located near residential communities and commercial customers. In addition, we seek to acquire facilities with an on-site apartment for the manager, security cameras and gated access, accessibility for tractor trailers and good construction.

Growth Potential We will continue to target acquisitions that offer growth potential through increased operating efficiency and, in some cases, through additional leasing efforts, renovations or expansions. In addition to acquisitions of single facilities, we will continue to seek to invest in portfolio acquisitions, searching for situations where there is significant potential for increased operating efficiency and an ability to spread our fixed costs across a large base of facilities.

The Self-Storage Industry

The self-storage industry in the United States consists of approximately 1.5 billion rentable square feet at approximately 38,800 facilities. The industry is highly fragmented, comprised mainly of numerous local operators that own single facilities and a few national owners and operators. The industry presents opportunities for consolidation owing in part to its highly fragmented composition, the lack of sophistication among many operators, the economies of scale available to a real estate company with a significant number of self-storage facilities, and the difficulties smaller operators face in obtaining capital.

We believe that the self-storage industry possesses the following characteristics that will continue to drive its strength and growth:

Broad Base of Demand Driven by a Variety of Storage Needs Self-storage facilities serve a wide spectrum of residential and commercial customers ranging from college students to high-income homeowners and from local businesses to large national corporations. The use of self-storage can be both short- and long-term and is driven by a variety of events and circumstances, including the following:

- Moving into or out of an area, which creates the need for short-term storage;
- Residential downsizing, such as empty-nesters moving into smaller homes and seeking long-term storage for their accumulated possessions;
- The limited size of apartments and condominium units, which creates the need for supplemental storage space;
- Growing discretionary income, resulting in the purchase of items such as boats and recreational vehicles which require storage during periods of non-use;
- The end of school and vacation seasons, when college students and renters of vacation homes need to temporarily store their belongings, such as dormitory furniture and camping and sporting equipment;

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The growing number of small businesses that need affordable off-site storage for their supplies, product inventories and business records; and

The interest of large corporations in employing self-storage as a cost-effective alternative in their distribution logistics.

Relative Stability through Economic Cycles According to the 2004 Self-Storage Almanac, demand for self-storage tends to remain relatively stable because the causes of such demand are present throughout the various stages of an economic cycle. Economic expansions generate demand as individuals relocate to new jobs and make more purchases and businesses expand their storage and distribution needs. Conversely, economic downturns also initially create additional needs for self-storage as a result of the relocation and residential downsizing associated with reduced income or job losses.

Low Price Sensitivity of Customers We believe that many self-storage facility customers have a low sensitivity to price increases partly due to the low cost of self-storage relative to other storage alternatives and also due to the inconvenience of moving stored belongings to another location.

Large Pool of Individual Customers The self-storage industry benefits from the significant mobility of a growing population. According to the U.S. Census Bureau, 39.0 million United States residents, or approximately 13.7% of the total U.S. population, relocated between 2003 and 2004. According to the 2004 Self-Storage Almanac, consumer awareness of self-storage has grown significantly as more facilities have been built nationwide and overall usage has risen. Self-storage operators continue to induce additional demand by opening facilities in new geographic markets, offering higher quality product with enhanced features, and actively marketing their facilities to attract first-time residential and commercial users.

Growth of Commercial Customer Base According to the 2004 Self-Storage Almanac, commercial customers are increasingly employing self-storage for their distribution logistics. These customers favor self-storage for its relatively low cost, ease of access, security, flexible lease terms, climate control features and proximity to their distribution destinations. Commercial customers are attractive because they tend to rent larger units, stay for longer rental periods and are generally less price sensitive.

We believe that the self-storage industry offers attractive investment characteristics compared to many other sectors of commercial real estate, due to both the characteristics discussed above and the following key attributes:

The large number of customers who use each self-storage facility makes a self-storage operator less susceptible to abrupt declines in rental revenue caused by the bankruptcy or vacating of large customers, the risk of which is more prominent in most other real estate sectors.

Due to the relatively small cost of each self-storage facility, it is generally easier for the larger operators in the industry, like us, to own and operate a geographically diversified portfolio of facilities, the performance of which in the aggregate is more resilient to adverse operating conditions in any local or regional market.

The relatively low recurring capital expenditures necessary for the repair and maintenance of most self-storage facilities generally allow a self-storage operator to convert a high portion of its rental revenues into free cash flow.

Financing Strategy

Although our organizational documents contain no limitation on the amount of debt we may incur, we maintain what we consider to be a conservative capital structure, characterized by the use of leverage in a manner that we believe is reasonable and prudent and that will enable us to have ample cash flow to cover interest expense. As of June 30, 2005, our debt to total capitalization ratio, determined by dividing the book value of our total indebtedness by the sum of (a) the market value of our outstanding common shares and operating partnership units and (b) the book value of our total indebtedness, was approximately 39.8%. Our

debt to total capitalization ratio on a pro forma basis as of June 30, 2005, taking into account borrowings made subsequent to June 30, 2005, this offering and the expected use of proceeds therefrom, was approximately 38.3%. We expect to finance additional investments in self-storage facilities through the most attractive available source of capital at the time of the transaction, in a manner consistent with maintaining a strong financial position and future financial flexibility. These capital sources may include borrowings under our revolving credit facility, selling common or preferred shares or debt securities through public offerings or private placements, incurring additional secured indebtedness, issuing units in our operating partnership in exchange for contributed property, issuing preferred units in our operating partnership to institutional partners and forming joint ventures. We also may consider selling less productive self-storage facilities from time to time in order to reallocate proceeds from these sales into more productive facilities.

Our Facilities

Overview

As of July 31, 2005, we owned 308 self-storage facilities located in 25 states and aggregating approximately 18.9 million rentable square feet. The following table sets forth certain summary information regarding our facilities by state as of July 31, 2005.

Our Facilities by State

Facility Location	Number of Facilities	Number of Units	Total Rentable Square Feet	% of Total Rentable Square Feet	Occupancy(1)
Florida	49	31,540	3,448,844	18.3%	89.8%
California	37	18,329	2,119,494	11.2%	83.5%
Ohio	33	14,700	1,893,423	10.0%	80.8%
Illinois	27	14,157	1,616,430	8.6%	78.5%
Arizona	21	10,086	1,079,820	5.7%	91.4%
Texas	17	7,491	967,519	5.1%	85.6%
Connecticut	17	7,373	873,860	4.6%	79.3%
Tennessee	15	6,779	828,088	4.4%	85.8%
New Jersey	12	8,261	865,774	4.6%	85.3%
New Mexico	10	3,788	407,459	2.2%	92.0%
Indiana	9	5,419	606,599	3.2%	77.2%
North Carolina	8	4,743	555,779	2.9%	88.8%
Mississippi	6	3,071	388,690	2.1%	82.7%
New York	6	3,195	335,300	1.8%	84.6%
Louisiana	6	2,329	334,324	1.8%	89.1%
Maryland	5	4,097	505,808	2.7%	84.4%
Georgia	5	3,635	431,387	2.3%	81.9%
Colorado	5	2,822	324,681	1.7%	80.2%
Utah	5	2,376	244,948	1.3%	89.5%
Michigan	4	1,787	272,911	1.4%	80.4%
Alabama	3	1,655	234,631	1.2%	71.0%
South Carolina	3	1,281	214,113	1.1%	78.9%
Pennsylvania	2	1,585	177,411	0.9%	89.5%
Massachusetts	2	1,134	115,541	0.6%	73.2%
Wisconsin	1	489	58,713	0.3%	78.8%

Total/ Weighted Average	**308**	**162,122**	**18,901,547**	**100.0%**	**84.5%**

(1) Represents occupied square feet divided by total rentable square feet, as of July 31, 2005.

The following table sets forth certain summary information regarding our facilities located in our top 20 MSAs, ranked by total rentable square feet, as of July 31, 2005.

Our Top 20 MSAs

MSA (1)	Total Rentable Square Feet	Percentage of Total Rentable Square Feet	Number of Facilities	Number of Units	Occupancy(2)
Miami-Fort Lauderdale-Miami Beach, FL	1,651,264	8.7%	20	14,622	88.4%
Chicago-Naperville-Joliet, IL-IN-WI	1,616,430	8.6%	27	14,157	78.5%
Riverside-San Bernardino-Ontario, CA	1,315,668	7.0%	24	11,026	82.9%
Cleveland-Elyria-Mentor, OH	1,114,667	5.9%	18	9,023	80.9%
New York-Northern New Jersey-Long Island, NY-NJ-PA	1,107,975	5.9%	16	10,711	84.7%
Tucson, AZ	840,527	4.4%	17	7,975	93.5%
Indianapolis, IN	606,599	3.2%	9	5,419	77.2%
Hartford-West Hartford-East Hartford, CT	579,335	3.1%	11	4,624	77.8%
Sacramento-Arden Arcade-Roseville, CA	574,678	3.0%	9	5,357	82.2%
Knoxville, TN	475,068	2.5%	9	4,056	92.6%
Atlanta-Sandy Springs-Marietta, GA	431,387	2.3%	5	3,635	81.9%
El Paso, TX	390,276	2.1%	7	2,905	89.2%
Gulfport-Biloxi, MS	388,690	2.1%	6	3,071	82.7%
Houston-Sugar Land-Baytown, TX	367,225	1.9%	6	2,779	79.3%
Memphis, TN-AR-MS	353,020	1.9%	6	2,723	76.6%
Washington-Arlington-Alexandria, DC-VA-MD-WV	344,530	1.8%	3	2,567	84.2%
Denver-Aurora, CO	324,681	1.7%	5	2,822	80.2%
Tampa-St. Petersburg-Clearwater, FL	308,885	1.6%	5	2,581	86.9%
Dayton, OH	282,210	1.5%	5	2,115	79.8%
Orlando-Kissimmee, FL	272,967	1.4%	4	2,353	93.8%

(1) MSAs as defined by the United States Office of Management and Budget as of November 2004.
(2) Represents occupied square feet divided by total rentable square feet, as of July 31, 2005.

Our Facilities

The following table sets forth certain additional information with respect to each of our facilities as of July 31, 2005. Our ownership of each facility consists of a fee interest in the facility held by U-Store-It, L.P., our operating partnership, or one of its subsidiaries, except for our Morris Township, NJ facility, where we have a ground lease. In addition, small parcels of land at three of our other facilities are subject to a ground lease.

Facility Location	Year Acquired/ Developed(1)	Year Built	Rentable Square Feet	Occupancy(2)	Units	Manager Apartment(3)	% Climate Controlled(4)

Mobile I, AL	1997	1987	65,256	80.8%	490	N	7.4%
Mobile II, AL	1997	1974/90	126,050	61.3%	794	N	1.3%
Mobile III, AL	1998	1988/94	43,325	84.3%	371	Y	33.8%
Chandler, AZ	2005	1985	47,888	57.8%	520	Y	0.0%
Glendale, AZ	1998	1987	56,580	94.8%	575	Y	0.0%
Green Valley, AZ	2005	1985	25,400	97.1%	280	N	8.0%
Scottsdale, AZ	1998	1995	81,300	92.1%	608	Y	10.9%

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Facility Location	Year Acquired/ Developed(1)	Year Built	Rentable Square Feet	Occupancy(2)	Units	Manager Apartment(3)	% Climate Controlled(4)
Tempe, AZ	2005	1975	53,525	85.0%	408	Y	14.0%
Tucson I, AZ	1998	1974	60,000	96.3%	504	Y	0.0%
Tucson II, AZ	1998	1988	44,150	95.2%	536	Y	100.0%
Tucson III, AZ	2005	1979	49,858	98.0%	579	N	0.0%
Tucson IV, AZ	2005	1982	48,372	97.1%	553	Y	0.0%
Tucson V, AZ	2005	1982	45,428	96.5%	467	Y	0.0%
Tucson VI, AZ	2005	1982	41,028	93.2%	457	Y	0.0%
Tucson VII, AZ	2005	1982	52,838	96.2%	640	Y	0.0%
Tucson VIII, AZ	2005	1979	46,850	94.3%	525	Y	0.0%
Tucson IX, AZ	2005	1984	68,866	92.4%	662	Y	0.0%
Tucson X, AZ	2005	1981	46,550	75.1%	496	N	0.0%
Tucson XI, AZ	2005	1974	43,100	91.8%	471	Y	0.0%
Tucson XII, AZ	2005	1974	42,772	96.4%	516	N	0.0%
Tucson XIII, AZ	2005	1974	46,192	98.2%	591	Y	0.0%
Tucson XIV, AZ	2005	1976	49,595	96.5%	590	Y	9.0%
Tucson XV, AZ	2005	1985	66,510	95.0%	62	N	0.0%
Tucson XVI, AZ	2005	1984	63,018	83.0%	46	N	0.0%
Apple Valley I, CA	1997	1984	73,580	80.0%	620	Y	0.0%
Apple Valley II, CA	1997	1988	62,325	87.5%	511	Y	5.3%
Bloomington I, CA	1997	1987	31,246	79.7%	226	N	0.0%
Bloomington II, CA	1997	1987	26,060	100.0%	22	N	0.0%
Citrus Heights, CA	2005	1987	75,906	80.8%	696	Y	0.0%
Diamond Bar, CA	2005	1988	105,685	85.6%	919	Y	0.0%
Fallbrook, CA	1997	1985/88	46,534	90.5%	430	Y	0.0%
Hemet, CA	1997	1989	66,260	96.7%	454	Y	0.0%
Highland, CA	1997	1987	74,951	85.1%	848	Y	0.0%
Lancaster, CA	2001	1987	60,875	88.7%	416	Y	0.0%
North Highlands, CA	2005	1980	57,219	85.2%	497	Y	0.0%
Ontario, CA	1998	1982	80,280	73.5%	840	Y	0.0%
Orangevale, CA	2005	1980	50,892	88.5%	580	Y	0.0%
Rancho Cordova, CA	2005	1979	54,128	89.0%	486	Y	0.0%
Redlands, CA	1997	1985	63,005	86.6%	563	N	0.0%
Rialto, CA	1997	1987	100,083	78.5%	808	Y	0.0%
Riverside I, CA	1997	1989	28,860	90.5%	249	N	0.0%
Riverside II, CA	1997	1989	21,880	100.0%	20	N	0.0%
Riverside III, CA	1998	1989	46,920	86.2%	384	Y	0.0%
Roseville, CA	2005	1979	60,144	89.2%	594	Y	0.0%
Sacramento I, CA	2005	1979	56,724	79.1%	565	Y	0.0%
Sacramento II, CA	2005	1986	62,090	75.3%	585	Y	0.0%
San Bernardino I, CA	1997	1985	46,600	79.0%	453	Y	5.3%
San Bernardino II, CA	1997	1987	83,418	69.8%	625	Y	2.0%
San Bernardino III, CA	1997	1987	32,102	89.8%	246	N	0.0%
San Bernardino IV, CA	1997	1989	57,400	79.7%	591	Y	0.0%

San Bernardino V, CA	1997	1991	41,781	80.9%	408	Y	0.0%
San Bernardino VI, CA	1997	1985/92	35,007	71.8%	413	N	0.0%
San Bernardino VII, CA	2005	2002/04	83,756	78.6%	636	Y	11.8%
San Marcos, CA	2005	1979	37,620	83.0%	252	Y	0.0%

Facility Location	Year Acquired/ Developed(1)	Year Built	Rentable Square Feet	Occupancy(2)	Units	Manager Apartment(3)	% Climate Controlled(4)
South Sacramento, CA	2005	1979	51,890	63.8%	435	Y	0.0%
Sun City, CA	1998	1989	38,635	90.4%	305	N	0.0%
Temecula I, CA	1998	1985	39,725	91.1%	316	N	0.0%
Temecula II, CA	2003*	2003	42,475	84.7%	392	Y	89.5%
Vista, CA	2001	1988	74,781	94.9%	614	Y	0.0%
Westminster, CA	2005	1983/98	70,213	89.6%	650	Y	0.0%
Yucaipa, CA	1997	1989	78,444	79.2%	680	Y	0.0%
Aurora, CO	2005	1981	74,817	75.7%	641	Y	0.0%
Federal Heights, CO	2005	1980	55,080	71.4%	576	Y	0.0%
Golden, CO	2005	1985	88,792	81.8%	648	Y	0.0%
Littleton, CO	2005	1987	53,690	89.2%	457	Y	38.0%
Northglenn, CO	2005	1980	52,302	84.1%	500	Y	0.0%
Bloomfield, CT	1997	1987/93/94	48,900	70.1%	455	Y	6.6%
Branford, CT	1995	1986	51,079	81.1%	438	Y	2.2%
Bristol, CT	2005	1989/99	53,625	95.1%	504	N	22.4%
East Windsor, CT	2005	1986/89	46,100	57.9%	326	N	0.0%
Enfield, CT	2001	1989	52,975	74.9%	384	Y	0.0%
Gales Ferry, CT	1995	1987/89	51,780	67.3%	592	N	4.8%
Manchester I, CT	2002	1999/00/01	47,400	68.8%	519	N	37.0%
Manchester II, CT	2005	1984	53,237	72.6%	419	N	0.0%
Milford, CT	1994	1975	45,181	85.6%	388	N	3.1%
Monroe, CT	2005	1996/03	66,909	89.6%	411	N	0.0%
Mystic, CT	1994	1975/86	50,250	79.7%	551	Y	2.4%
Newington I, CT	2005	1978/97	54,920	89.0%	264	N	0.0%
Newington II, CT	2005	1979/81	36,490	90.5%	222	N	0.0%
Old Saybrook I, CT	2005	1982/88/00	91,288	86.0%	725	N	6.3%
Old Saybrook II, CT	2005	1988/02	26,875	86.0%	256	N	30.0%
South Windsor, CT	1994	1976	67,525	65.6%	550	Y	0.8%
Stamford, CT	2005	1997	29,326	94.6%	369	N	31.2%
Boca Raton, FL	2001	1998	38,203	94.9%	605	N	67.9%
Boynton Beach I, FL	2001	1999	62,042	94.6%	800	Y	54.0%
Boynton Beach II, FL	2005	2001	62,276	92.7%	609	Y	81.5%
Bradenton I, FL	2004	1979	68,480	78.0%	676	N	2.8%
Bradenton II, FL	2004	1996	88,103	86.0%	904	Y	40.2%
Cape Coral, FL	2000*	2000	76,789	97.0%	902	Y	83.0%
Dania, FL	1994	1988	58,319	97.9%	483	Y	26.9%
Dania Beach, FL	2004	1984	264,375	79.9%	1928	N	21.0%
Davie, FL	2001*	2001	81,235	88.6%	839	Y	55.6%
Deerfield Beach, FL	1998*	1998	57,770	95.3%	527	Y	39.2%
DeLand, FL	1998	1987	38,577	97.9%	412	Y	0.0%
Delray Beach, FL	2001	1999	68,531	97.8%	819	Y	39.0%
Fernandina Beach, FL	1996	1986	91,480	96.1%	683	Y	21.7%
Ft. Lauderdale, FL	1999	1999	70,544	96.1%	655	Y	46.0%

Ft. Myers, FL	1998	1998	67,256	97.8%	611	Y	67.0%
Lake Worth, FL	1998	1998/02	167,946	89.6%	1293	N	44.9%
Lakeland I, FL	1994	1988	49,111	98.8%	463	Y	78.1%
Lakeland II, FL	1996	1984	48,600	97.7%	356	Y	19.5%

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Facility Location	Year Acquired/ Developed(1)	Year Built	Rentable Square Feet	Occupancy(2)	Units	Manager Apartment(3)	% Climate Controlled(4)
Leesburg, FL	1997	1988	51,995	91.1%	447	Y	5.1%
Lutz I, FL	2004	2000	72,795	85.0%	658	Y	34.0%
Lutz II, FL	2004	1999	69,378	83.9%	549	Y	20.4%
Margate I, FL	1994	1979/81	55,677	93.9%	343	N	10.5%
Margate II, FL	1996	1985	66,135	92.6%	317	Y	65.0%
Merrit Island, FL	2000	2000	50,523	85.9%	470	Y	56.4%
Miami I, FL	1995	1995	47,200	87.6%	556	Y	52.2%
Miami II, FL	1994	1987	57,165	61.0%	598	Y	0.1%
Miami III, FL	1994	1989	67,360	94.3%	573	Y	7.8%
Miami IV, FL	1995	1987	58,298	86.8%	610	Y	7.0%
Miami V, FL	1995	1976	77,825	72.9%	369	Y	4.0%
Naples I, FL	1996	1996	48,150	93.1%	349	Y	26.6%
Naples II, FL	1997	1985	65,994	91.1%	647	Y	43.9%
Naples III, FL	1997	1981/83	80,709	80.1%	889	Y	24.0%
Naples IV, FL	1998	1990	40,023	86.4%	444	N	41.4%
Ocala, FL	1994	1988	42,086	96.9%	360	Y	9.7%
Ocoee, FL	2005	1997	76,258	97.6%	665	Y	15.5%
Orange City, FL	2004	2001	59,781	87.5%	680	N	39.0%
Orlando I, FL	1997	1987	51,770	89.0%	453	Y	4.8%
Orlando II, FL	2005	2002/04	92,944	94.8%	788	N	74.1%
Pembroke Pines, FL	1997	1997	67,505	95.6%	692	Y	73.1%
Royal Palm Beach, FL	1994	1988	98,851	83.6%	670	N	79.2%
Sarasota, FL	1998	1998	70,798	90.3%	532	Y	43.0%
St. Augustine, FL	1996	1985	59,830	89.2%	581	Y	29.6%
Stuart I, FL	1997	1986	41,694	96.5%	524	Y	27.0%
Stuart II, FL	1997	1995	89,541	97.3%	896	Y	34.1%
Tampa I, FL	1994	1987	60,150	83.9%	416	Y	0.0%
Tampa II, FL	2001	1985	56,047	87.8%	476	Y	16.8%
Vero Beach, FL	1997	1986/87	50,515	96.1%	482	N	23.9%
West Palm Beach I, FL	2001	1997	68,295	93.7%	1028	Y	47.3%
West Palm Beach II, FL	2004	1996	93,915	97.8%	913	Y	77.0%
Alpharetta, GA	2001	1996	90,685	76.4%	670	Y	74.9%
Decatur, GA	1998	1986	148,680	75.2%	1409	Y	3.1%
Norcross, GA	2001	1997	85,460	81.8%	598	Y	55.1%
Peachtree City, GA	2001	1997	50,034	92.9%	449	N	74.6%
Smyrna, GA	2001	2000	56,528	98.5%	509	Y	100.0%
Addison, IL	2004	1979	31,775	96.8%	377	Y	0.0%
Aurora, IL	2004	1996	74,440	61.5%	573	Y	6.9%
Bartlett I, IL	2004	1987	41,394	88.0%	430	Y	0.5%
Bartlett II, IL	2004	1987	51,725	77.7%	421	Y	33.5%
Bellwood, IL	2001	1999	86,700	89.8%	724	Y	52.1%
Des Plaines, IL	2004	1978	74,600	82.8%	643	Y	0.0%
Elk Grove Village, IL	2004	1987	63,638	82.2%	655	Y	0.3%

Glenview, IL	2004	1998	100,345	76.0%	764	Y	100.0%
Gurnee, IL	2004	1987	80,500	70.2%	741	Y	34.0%
Harvey, IL	2004	1987	59,816	87.2%	587	Y	3.0%
Joliet, IL	2004	1993	74,750	62.5%	481	Y	23.3%

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Facility Location	Year Acquired/ Developed(1)	Year Built	Rentable Square Feet	Occupancy(2)	Units	Manager Apartment(3)	% Climate Controlled(4)
Lake Zurich, IL	2004	1988	46,635	85.7%	450	Y	0.0%
Lombard, IL	2004	1981	61,242	81.0%	520	Y	18.3%
Mount Prospect, IL	2004	1979	65,200	73.6%	610	Y	12.6%
Mundelein, IL	2004	1990	44,900	70.6%	509	Y	8.9%
North Chicago, IL	2004	1985	53,500	85.9%	445	N	0.0%
Plainfield I, IL	2004	1998	54,375	88.0%	410	N	0.0%
Plainfield II, IL	2005	2000	52,450	80.5%	368	N	16.8%
Schaumburg, IL	2004	1988	31,157	88.6%	325	N	0.8%
Streamwood, IL	2004	1982	64,565	71.0%	578	N	0.0%
Warrensville, IL	2005	1977/89	46,728	94.5%	382	N	0.0%
Waukegan, IL	2004	1977	79,950	77.7%	715	Y	8.4%
West Chicago, IL	2004	1979	48,625	75.2%	440	Y	0.0%
Westmont, IL	2004	1979	53,900	78.0%	403	Y	0.0%
Wheeling I, IL	2004	1974	54,900	64.0%	505	Y	0.0%
Wheeling II, IL	2004	1979	68,025	71.4%	624	Y	7.3%
Woodridge, IL	2004	1987	50,595	87.1%	477	Y	0.0%
Indianapolis I, IN	2004	1987	43,800	83.3%	332	N	0.0%
Indianapolis II, IN	2004	1997	45,100	95.6%	460	Y	15.6%
Indianapolis III, IN	2004	1999	61,325	83.2%	506	Y	32.6%
Indianapolis IV, IN	2004	1976	68,494	63.9%	616	Y	0.0%
Indianapolis V, IN	2004	1999	75,025	82.8%	596	Y	33.5%
Indianapolis VI, IN	2004	1976	73,693	76.5%	730	Y	0.0%
Indianapolis VII, IN	2004	1992	95,290	67.4%	884	Y	0.0%
Indianapolis VIII, IN	2004	1975	81,676	76.2%	738	Y	0.0%
Indianapolis IX, IN	2004	1976	62,196	78.4%	557	Y	0.0%
Baton Rouge I, LA	1997	1980	55,984	93.6%	464	Y	9.7%
Baton Rouge II, LA	1997	1980	72,082	83.0%	499	Y	33.7%
Baton Rouge III, LA	1997	1982	61,078	90.3%	451	Y	10.2%
Baton Rouge IV, LA	1998	1995	8,920	91.6%	84	N	100.0%
Prairieville, LA	1998	1991	56,520	84.9%	306	Y	3.0%
Slidell, LA	2001	1998	79,740	93.4%	525	Y	46.5%
Boston, MA	2002	2001	61,360	73.7%	630	Y	100.0%
Leominster, MA	1998	1987/88/00	54,181	72.6%	504	Y	45.1%
Baltimore, MD	2001	1999/00	93,750	81.4%	808	Y	45.5%
California, MD	2004	1998	67,528	89.6%	722	Y	40.1%
Gaithersburg, MD	2005	1998	87,170	80.2%	798	Y	100.0%
Laurel, MD	2001	1978/99/00	161,530	83.7%	956	N	63.7%
Temple Hills, MD	2001	2000	95,830	88.6%	813	Y	77.6%
Grand Rapids, MI	1996	1976	87,295	73.4%	508	Y	0.0%
Portage, MI	1996	1980	50,671	96.4%	340	N	0.0%
Romulus, MI	1997	1997	43,970	71.3%	318	Y	10.7%
Wyoming, MI	1996	1987	90,975	82.5%	621	N	0.0%
Biloxi, MS	1997	1978/93	66,188	78.3%	620	Y	7.4%

Gautier, MS	1997	1981	35,775	84.1%	306	Y	3.2%
Gulfport I, MS	1997	1970	73,460	72.6%	513	Y	0.0%
Gulfport II, MS	1997	1986	64,745	75.0%	436	Y	18.8%
Gulfport III, MS	1997	1977/93	61,451	88.8%	486	Y	33.2%

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Facility Location	Year Acquired/ Developed(1)	Year Built	Rentable Square Feet	Occupancy(2)	Units	Manager Apartment(3)	% Climate Controlled(4)
Waveland, MS	1998	1982/83/84/93	87,071	95.2%	710	Y	23.7%
Belmont, NC	2001	1996/97/98	81,215	90.0%	569	N	7.8%
Burlington I, NC	2001	1990/91/93/94/98	110,502	87.3%	951	N	4.0%
Burlington II, NC	2001	1991	39,802	92.9%	392	Y	11.9%
Cary, NC	2001	1993/94/97	110,464	77.6%	751	N	8.5%
Charlotte, NC	1999	1999	69,246	93.8%	740	N	52.4%
Fayetteville I, NC	1997	1981	41,600	96.1%	352	N	0.0%
Fayetteville II, NC	1997	1993/95	54,425	98.8%	557	Y	11.9%
Raleigh, NC	1998	1994/95	48,525	87.2%	431	Y	8.2%
Brick, NJ	1994	1981	51,892	85.6%	456	Y	0.0%
Clifton, NJ	2005	2001	105,625	87.6%	1014	Y	100.0%
Cranford, NJ	1994	1987	91,450	90.8%	848	Y	7.9%
East Hanover, NJ	1994	1983	107,874	80.4%	1019	N	1.6%
Fairview, NJ	1997	1989	28,021	88.0%	452	N	100.0%
Jersey City, NJ	1994	1985	91,736	84.1%	1095	Y	0.0%
Linden I, NJ	1994	1983	100,625	79.0%	1125	N	2.7%
Linden II, NJ	1994	1982	36,000	100.0%	26	N	0.0%
Morris Township, NJ(5)	1997	1972	76,175	84.6%	573	Y	1.3%
Parsippany, NJ	1997	1981	66,375	87.6%	613	Y	1.4%
Randolph, NJ	2002	1998/99	52,232	79.6%	592	Y	82.5%
Sewell, NJ	2001	1984/98	57,769	87.5%	448	N	4.4%
Albuquerque I, NM	2005	1985	65,876	90.5%	633	Y	0.0%
Albuquerque II, NM	2005	1985	59,022	97.1%	553	Y	0.0%
Albuquerque III, NM	2005	1978	41,163	89.8%	460	Y	0.0%
Albuquerque IV, NM	2005	1986	56,554	83.7%	536	Y	0.0%
Carlsbad, NM	2005	1975	40,159	92.2%	348	Y	0.0%
Deming, NM	2005	1973/83	33,100	92.2%	256	Y	0.0%
Las Cruces, NM	2005	1984	44,050	96.9%	406	Y	0.0%
Lovington I, NM (6)	2005	1975	15,950	99.4%	172	Y	0.0%
Silver City, NM	2005	1972	27,075	98.5%	256	Y	0.0%
Truth or Consequences, NM	2005	1977/99/00	24,510	85.0%	168	Y	0.0%
Endicott, NY	2005	1989	35,330	95.9%	297	Y	0.0%
Jamaica, NY	2001	2000	90,156	67.9%	928	Y	100.0%
New Rochelle, NY	2005	1998	30,343	94.3%	402	N	0.0%
North Babylon, NY	1998	1988/99	78,288	83.6%	635	Y	9.1%
Riverhead, NY	2005	1985/86/99	41,410	91.8%	346	N	0.0%
Southold, NY	2005	1989	59,773	94.7%	587	N	0.0%
Akron, OH	2005	1986/99	67,850	84.5%	682	Y	0.0%
Avon, OH	2005	1981/86/98	85,023	85.8%	568	Y	0.0%
Boardman, OH	1980	1980/89	66,187	81.1%	525	Y	16.1%
Brecksville, OH	1998	1970/89	64,764	88.2%	410	Y	34.2%
Canton I, OH	2005	1979/87	40,545	77.5%	414	Y	0.0%

Canton II, OH	2005	1997	31,700	88.0%	201	N	0.0%
Centerville I, OH	2004	1976	86,590	79.1%	654	Y	0.0%
Centerville II, OH	2004	1976	43,600	81.0%	310	N	0.0%
Cleveland I, OH	2005	1997/99	46,400	94.1%	353	Y	0.0%
Cleveland II, OH	2005	2000	58,652	50.2%	591	Y	0.0%

Facility Location	Year Acquired/ Developed(1)	Year Built	Rentable Square Feet	Occupancy(2)	Units	Manager Apartment(3)	% Climate Controlled(4)
Dayton I, OH	2004	1978	43,420	85.2%	351	N	0.0%
Dayton II, OH	2005	1989/00	47,550	68.9%	368	N	0.0%
East Liverpool, OH	2005	1986/96	30,900	79.5%	218	N	0.0%
Euclid I, OH	1988*	1988	47,260	74.6%	441	Y	21.9%
Euclid II, OH	1988*	1988	48,058	73.4%	381	Y	0.0%
Hudson, OH	1998	1987	68,470	87.7%	421	N	13.9%
Lakewood, OH	1989*	1989	39,523	86.4%	486	Y	24.5%
Louisville, OH	2005	1988/90	60,402	86.4%	390	N	0.0%
Marblehead, OH	2005	1988/98	76,500	70.0%	388	N	0.0%
Mason, OH	1998	1981	33,700	87.7%	282	Y	0.0%
Mentor, OH	2005	1983/99	61,284	61.5%	454	N	23.1%
Miamisburg, OH	2004	1975	61,050	84.8%	432	Y	0.0%
Middleburg Heights, OH	1980*	1980	94,150	76.7%	667	Y	0.0%
North Canton I, OH	1979*	1979	45,532	78.1%	290	Y	0.0%
North Canton II, OH	1983*	1983	44,380	79.0%	354	Y	15.8%
North Olmsted I, OH	1979*	1979	48,910	86.3%	449	Y	1.2%
North Olmsted II, OH	1988*	1988	48,050	86.2%	406	Y	14.1%
North Randall, OH	1998*	1998/02	80,452	83.9%	803	N	90.3%
Perry, OH	2005	1992/97	68,851	61.4%	431	Y	0.0%
Warrensville Heights, OH	1980*	1980/82/98	90,531	91.8%	746	Y	0.0%
Westlake, OH	2005	2001	62,800	96.0%	460	Y	0.0%
Willoughby, OH	2005	1997	33,639	89.3%	274	Y	0.0%
Youngstown, OH	1977*	1977	66,700	88.3%	500	Y	0.0%
Levittown, PA	2001	2000	78,230	91.7%	671	Y	36.2%
Philadelphia, PA	2001	1999	99,181	87.8%	914	N	91.6%
Hilton Head I, SC	1997	1981/84	116,766	68.9%	545	Y	5.4%
Hilton Head II, SC	1997	1979/80	47,620	91.8%	297	Y	0.0%
Summerville, SC	1998	1989	49,727	89.9%	439	Y	10.1%
Alcoa, TN	2005	1986	42,550	94.5%	351	Y	0.0%
Cordova, TN	2005	1987	54,725	67.2%	388	Y	0.0%
Knoxville I, TN	1997	1984	29,452	93.7%	297	Y	5.4%
Knoxville II, TN	1997	1985	38,550	98.2%	350	Y	7.0%
Knoxville III, TN	1998	1991	45,864	93.3%	425	Y	6.7%
Knoxville IV, TN	1998	1983	59,070	80.2%	456	N	1.1%
Knoxville V, TN	1998	1977	43,050	96.3%	376	N	0.0%
Knoxville VI, TN	2005	1975	64,040	99.6%	576	Y	0.0%
Knoxville VII, TN	2005	1983	55,394	94.9%	448	Y	0.0%
Knoxville VIII, TN	2005	1978	97,098	88.8%	777	Y	0.0%
Memphis I, TN	2001	1999	86,075	92.3%	622	N	51.3%
Memphis II, TN	2001	2000	72,210	91.0%	544	N	46.2%
Memphis III, TN	2005	1983	39,790	68.5%	365	Y	5.0%
Memphis IV, TN	2005	1986	38,950	77.2%	330	Y	0.0%

Memphis V, TN	2005	1981	61,270	50.6%	474	Y	0.0%
Baytown, TX	2005	1981	39,150	73.0%	380	Y	0.0%
Bryan, TX	2005	1994	60,650	92.0%	498	Y	0.0%
College Station, TX	2005	1993	26,750	99.4%	348	N	0.0%
El Paso I, TX	2005	1980	60,034	80.8%	552	Y	0.0%

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Facility Location	Year Acquired/ Developed(1)	Year Built	Rentable Square Feet	Occupancy(2)	Units	Manager Apartment(3)	% Climate Controlled(4)
El Paso II, TX	2005	1980	49,296	96.6%	428	Y	0.0%
El Paso III, TX	2005	1980	71,500	91.2%	649	Y	0.0%
El Paso IV, TX	2005	1983	73,776	90.2%	584	Y	0.0%
El Paso V, TX	2005	1982	63,050	91.8%	402	Y	0.0%
El Paso VI, TX	2005	1985	36,820	88.2%	271	Y	0.0%
El Paso VII, TX	2005	1982	35,800	83.4%	19	N	0.0%
Frisco I, TX	2005	1996	51,079	83.1%	447	Y	17.4%
Frisco II, TX	2005	1998/02	71,539	89.1%	514	Y	25.6%
Houston I, TX	2005	1981	101,780	87.2%	631	Y	0.0%
Houston II, TX	2005	1977	74,700	79.4%	435	Y	0.0%
Houston III, TX	2005	1984	62,370	71.9%	492	Y	0.0%
Houston IV, TX	2005	1987	44,175	85.6%	401	Y	6.0%
La Porte, TX	2005	1984	45,050	71.0%	440	Y	19.0%
Murray I, UT	2005	1978	47,246	94.9%	350	Y	0.0%
Murray II, UT	2005	1978	26,400	84.2%	24	N	0.0%
Murray, UT	2005	1976	60,780	94.9%	702	Y	0.0%
Salt Lake City I, UT	2005	1976	56,646	80.2%	778	Y	0.0%
Salt Lake City II, UT	2005	1978	53,876	90.9%	522	Y	0.0%
Milwaukee, WI	2004	1988	58,713	78.8%	489	Y	0.0%
Total/ Weighted Average (308 facilities)			**18,901,547**	**84.5%**	**162,122**		

* Denotes facilities developed by us.

Denotes facilities that contain a material amount of commercial rentable square footage. All of this commercial space, which was developed in conjunction with the self-storage units, is located within or adjacent to our self-storage facilities. There is a total of approximately 627,900 rentable square feet of commercial space at these facilities.

Denotes facilities which we acquired subsequent to June 30, 2005.

(1) Represents the year acquired for those facilities acquired from a third party, or the year developed, for those facilities developed by us.

(2) Represents occupied square feet divided by total rentable square feet, as of July 31, 2005.

(3) Indicates whether a facility has an on-site apartment where a manager resides.

(4) Represents the percentage of rentable square feet in climate-controlled units.

(5) We do not own the land at this facility. We have leased the land pursuant to a ground lease that expires in 2008. We have nine 5-year renewal options.

(6) Data does not reflect information relating to a mobile home park that is adjacent to this facility.

Our growth has been achieved by internal growth and by adding facilities to our portfolio each year through acquisitions and development. The following tables show the average occupancy and annual rent per occupied square foot for our portfolio of facilities owned as of June 30, 2005 for each of the periods presented below, grouped by the year during which we first owned or operated the facility.

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Our Facilities by Year Acquired Average Occupancy

Year Acquired(1)	Number of Facilities	Current Rentable Square Feet	Average Occupancy During the Twelve Months Ended December 31,(2) 2000	2001	2002	2003	2004	June 30, 2005(2)
1996 or earlier	41	2,599,851	84.5%	83.2%	80.9%	81.2%	83.5%	83.7%
1997	46	2,699,212	83.1%	82.2%	81.0%	82.8%	84.1%	83.7%
1998	24	1,451,822	84.0%	82.1%	81.3%	84.2%	85.0%	85.0%
1999	2	138,054	45.6%	67.2%	81.3%	82.0%	88.0%	92.2%
2000	6	418,024	71.0%	76.0%	81.7%	85.5%	87.6%	88.6%
2001	27	2,107,610		73.6%	75.7%	80.6%	84.9%	85.2%
2002	7	405,966			83.3%	82.9%	83.9%	83.7%
2003	1	42,475				20.4%	48.7%	66.1%
2004	46	3,114,879					77.6%	77.2%
2005	36	2,021,922						70.3%
All Facilities Owned as of June 30, 2005	**236**	**14,999,815**	**83.0%**	**81.3%**	**79.9%**	**82.1%**	**84.0%**	**82.5%**

(1) For facilities developed by us, Year Acquired represents the year in which such facilities were acquired by our operating partnership from an affiliated entity, which in some cases is later than the year developed.

(2) Determined by dividing the sum of the month-end occupied square feet for the group of facilities for each twelve month period by the sum of their month-end rentable square feet for the period.

Our Facilities by Year Acquired Annual Rent Per Occupied Square Foot

Year Acquired(1)	Number of Facilities	Annual Rent Per Occupied Square Foot for the Twelve Months Ended December 31,(2) 2000	2001	2002	2003	2004	June 30, 2005(2)
1996 or earlier	41	$ 10.26	$ 10.71	$ 10.79	$ 10.59	$ 10.66	$ 10.85
1997	46	$ 8.40	$ 8.81	$ 9.04	$ 9.21	$ 9.52	$ 9.80
1998	24	$ 8.54	$ 8.73	$ 8.82	$ 8.89	$ 9.34	$ 9.65
1999	2	$ 7.14	$ 7.10	$ 7.66	$ 8.25	$ 9.50	$ 10.14
2000	6	$ 7.66	$ 13.10	$ 13.33	$ 13.26	$ 13.29	$ 13.79
2001	27		$ 11.21	$ 10.88	$ 10.12	$ 10.56	$ 10.98
2002	7			$ 14.41	$ 13.31	$ 13.49	$ 13.72
2003	1				$ 8.75	$ 12.94	$ 13.01
2004	46					$ 12.22	$ 10.90
2005	36						$ 9.93

All Facilities Owned as of June 30, 2005	**236**	**$ 9.13**	**$ 9.77**	**$ 10.13**	**$ 10.04**	**$ 10.44**	**$ 10.66**

(1) For facilities developed by us, Year Acquired represents the year in which such facilities were acquired by our operating partnership from an affiliated entity, which in some cases is later than the year developed.

(2) Determined by dividing the aggregate rental revenue for each twelve month period by the average of the month-end occupied square feet for the period. Rental revenue includes customer rental revenues, access, administrative and late fees and revenues from auctions, but does not include ancillary revenues generated at our facilities.

The following tables set forth a reconciliation of our annual rent per occupied square foot data to our historical financial results for the periods presented.

		Average Occupied Square Feet for the Twelve Months Ended					
		December 31,(2)					
Year Acquired(1)	**Number of Facilities**	**2000**	**2001**	**2002**	**2003**	**2004**	**June 30, 2005(2)**
1996 or earlier	41	2,194,358	2,162,101	2,101,927	2,112,101	2,170,825	2,176,089
1997	46	2,218,478	2,189,309	2,162,901	2,212,059	2,247,471	2,259,232
1998	24	1,183,996	1,176,562	1,187,768	1,244,593	1,257,058	1,234,543
1999	2	63,455	93,479	113,112	114,052	121,776	127,259
2000	6	21,681	277,770	296,103	321,549	366,338	370,552
2001	27		410,084	1,544,456	1,701,143	1,790,554	1,796,194
2002	7			153,790	339,036	340,977	339,665
2003	1				3,606	20,694	28,067
2004	46					402,889	1,603,580
2005	36						464,803
All Facilities Owned as of June 30, 2005	**236**	**5,681,968**	**6,309,305**	**7,560,057**	**8,048,139**	**8,718,582**	**10,399,984**

		Total Revenues for the Twelve Months Ended					
		December 31,(2)(3)					
Year Acquired(1)	**Number of Facilities**	**2000**	**2001**	**2002**	**2003**	**2004**	**June 30, 2005(2)(3)**
		($ in thousands)					
1996 or earlier	41	$ 22,523	$ 23,165	$ 22,683	$ 22,372	$ 23,140	$ 23,600
1997	46	18,639	19,297	19,561	20,382	21,392	22,152
1998	24	10,109	10,274	10,475	11,061	11,739	11,918
1999	2	453	664	866	941	1,156	1,290
2000	6	166	3,639	3,947	4,265	4,867	5,111
2001	27		4,597	16,800	17,224	18,914	19,714
2002	7			2,216	4,513	4,600	4,660
2003	1				32	268	365
2004	46					4,925	17,472
2005	36						4,616
All Facilities Owned as of June 30, 2005 Before Adjustments	**236**	**$ 51,890**	**$ 61,636**	**$ 76,548**	**$ 80,790**	**$ 91,001**	**$ 110,898**
Plus:							
Revenues from Discontinued Operations(4)		1,033	553				

Other Adjustments(5)	167	87	37	24	607	2,478
Total Revenues(6)	**$ 53,090**	**$ 62,276**	**$ 76,585**	**$ 80,814**	**$ 91,608**	**$ 113,376**

(1) For facilities developed by us, Year Acquired represents the year in which such facilities were acquired by our operating partnership from an affiliated entity, which in some cases is later than the year developed.

(2) Represents the average of the aggregate month-end occupied square feet for the twelve month period for each group of facilities.

(3) Represents the result obtained by multiplying annual rent per occupied square foot by the average occupied square feet for the twelve month period for each group of facilities.

(4) Represents revenues generated by seven facilities sold between 2000 and 2001, which are included in the historical financial statements but excluded from the above analysis.

(5) Represents interest and other income and ancillary revenues generated by three facilities contributed by certain Amsdell Entities to our operating partnership prior to our IPO, which are reflected in the historical financial statements but excluded from the above analysis which accounts only for rental revenues and other property related income. Subsequent to the IPO, all other income and ancillary revenues are included for all facilities.

(6) Represents total revenues as presented in our historical financial statements.

Planned Renovations and Improvements

We recently undertook a capital improvements program involving our facilities. We spent a total of $5.7 million between 2000 and 2004 and $2.2 million during the first half of 2005 on this program. These renovations and improvements included office upgrades, adding climate control at selected units, construction of parking areas and general facility upgrades. We anticipate spending approximately an additional $16.3 million in the remainder of 2005 and in 2006 in renovations and improvements for our facilities that were owned at July 31, 2005. The bulk of this cost relates to facilities acquired since our IPO.

Option Facilities

In connection with our IPO we entered into an option agreement with Rising Tide Development to acquire 18 self-storage facilities, currently consisting of 13 facilities owned by Rising Tide Development, two facilities which Rising Tide Development has the right to acquire from unaffiliated third parties and three facilities which we have acquired since our IPO pursuant to the exercise of our options. In the event that Rising Tide Development does not acquire either of the two option facilities it currently has under contract, the number of facilities which we have the option to purchase would reduce accordingly. The 15 remaining option facilities either are currently under development or not yet fully stabilized. The options become exercisable with respect to each particular self-storage facility if and when that facility achieves an occupancy level of 85% at the end of the month, for three consecutive months. The purchase price will be equal to the lower of (i) a price determined by multiplying in-place net operating income at the time of purchase by 12.5 and (ii) the fair market value of the option facility as determined by an appraisal process involving third party appraisers. Our option to acquire these facilities will expire on October 27, 2008. The determination to purchase any of the option facilities will be made by the independent members of our board of trustees. If the option is not exercised for any facility by October 27, 2008, Rising Tide Development will be required to move expeditiously to sell the facility to an unrelated third party.

Since the completion of our IPO, we exercised our option to purchase three option facilities for an aggregate purchase price of approximately $17.4 million, consisting of an aggregate of $6.8 million in units in our operating partnership and $10.6 million in cash.

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The table below sets forth relevant information with respect to the remaining option facilities:

Option Facility Location	Rising Tide Acquisition Date/ Opening Date(1)	Rentable Square Feet(2)	Cost Basis/ Purchase Price to Rising Tide(3)	Occupancy(4)	Units
Facilities In Service:					
Tampa III, FL	March 2003	86,268	$ 5,489,759(a)	77.4%	812
Medford, MA	May 2003	59,095	5,853,653(a)	64.6%	670
Escondido, CA	October 2003	143,345	10,732,601(a)	73.5%	609
Jacksonville I, FL	October 2003	65,429	4,849,520(a)	79.4%	728
Jacksonville II, FL	March 2004	81,916	5,755,024(a)	68.0%	766
Jacksonville III, FL	October 2004	64,690	5,201,808(a)	71.1%	719
Royal Palm Beach II, FL	November 2004	83,357	7,964,472(a)	69.5%	813
Fort Lauderdale II, FL	November 2004	65,750	7,562,276(a)	55.8%	652
Kendall, FL	November 2004	80,975	7,871,582(a)	61.8%	722
Strongsville, OH	January 2005	43,987	1,278,137(a)	36.6%	446
Temecula III, CA	April 2005	84,075	5,443,757(a)	12.8%	737
Riverside IV, CA	May 2005	75,150	4,120,000(a)	8.9%	479
Suwanee, GA	August 2005	79,700	4,595,866(a)	N/A	634
Subtotal/ Weighted Average Placed into Service		**1,013,737**	**$ 76,718,455**	**58.0%**	**8,787**
Facilities Under Development:					
Jacksonville IV, FL(5)	December 2005	82,500	6,837,500(b)		
Sarasota II, FL(5)	October 2006	80,000	6,100,000(b)		
Subtotal Under Development		**162,500**	**$ 12,937,500**		
Total		**1,176,237**			

(1) Represents either the date of acquisition by Rising Tide Development, if the facility is already placed in service, or the projected opening date, if the facility is under development.

(2) Represents rentable square feet as of July 31, 2005 for facilities owned by Rising Tide Development that currently are in service. For facilities under development, represents rentable square feet expected at their completion or purchase.

(3) Amounts represent:
 (a) for facilities that currently are in service (all of which are owned by Rising Tide Development), the historical cost basis; and
 (b) for facilities that currently are under development which Rising Tide Development has the right to acquire, the purchase price under their respective purchase agreements.

(4) Represents occupied square feet divided by total rentable square feet, as of July 31, 2005.

(5) Denotes facilities which Rising Tide Development has the right to acquire. We cannot assure you that Rising Tide Development will purchase any of these facilities. In the event that Rising Tide Development does not acquire any such facility, the number of facilities which we will have the option to purchase would be reduced accordingly.

Outstanding Indebtedness

We had approximately $489.4 million of indebtedness outstanding as of June 30, 2005. This debt was comprised of nine mortgage loans secured by 120 of our facilities and our revolving credit facility. At

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June 30, 2005 the weighted average interest rate on this indebtedness was 5.90% and approximately 80% of such indebtedness incurred interest at a fixed rate.

The following table sets forth information with respect to our total indebtedness outstanding as of June 30, 2005.

	Principal Amount Outstanding (as of 6/30/05)	Interest Rate	Annual Debt Service	Maturity Date(1)	Balance at Maturity(2)	Number of Facilities
			($ in thousands)			
LONG TERM DEBT:						
Fixed Rate:						
Multi-facility mortgage loan	$ 65,656	8.16%	$ 6,502	11/2006	$ 64,118	41
Multi-facility mortgage loan	39,508	7.13%	3,568	12/2006	38,428	10
Single-facility mortgage loan	2,515	7.71%	252	12/2008	2,436	1
Single-facility mortgage loan	1,842	8.43%	192	8/2009	1,673	1
Multi-facility mortgage loan	90,000	5.09%	6,174	11/2009	82,488	26
Multi-facility mortgage loan	90,000	5.19%	6,244	5/2010	78,256	21
Single-facility mortgage loan	7,461	8.63%	907	7/2010	6,019	1
Multi-facility mortgage loan	90,000	5.33%	6,331	1/2011	80,497	18
Single-facility mortgage loan	3,890	6.22%	340	1/2014	2,481	1
Variable Rate:						
Revolving Credit Facility(3)	98,500	Libor + 2.13%	5,692	10/2007	98,500	116
Total/ Weighted Average	**$ 489,372**		**$ 36,202**		**$ 454,896**	

(1) Maturity Date is the earlier of the loan maturity date under the loan agreement, or the Anticipated Repayment Date as specifically defined in the loan agreement, which is the date after which substantial economic penalties apply if the loan has not been paid off.

(2) Assumes no early repayment of principal.

(3) The principal amount outstanding under our revolving credit facility will be repaid with a portion of the proceeds from this offering.

Loans Outstanding as of June 30, 2005

Set forth below is a summary of the principal terms of our outstanding material indebtedness as of June 30, 2005.

Revolving Credit Facility

Our operating partnership has a three-year, $150.0 million secured revolving credit facility with a group of banks led by Lehman Brothers Inc. and Wachovia Capital Markets, LLC. The facility is scheduled to terminate on October 27, 2007, with an option for us to extend the termination date to October 27, 2008. Borrowings under the facility bear interest at a variable rate based upon a base rate or a Eurodollar rate plus, in each case, a spread depending on our leverage ratio. The credit facility is secured by certain of our self-storage facilities and requires that we maintain a minimum borrowing base of properties. The revolving credit facility contains certain restrictive covenants on distributions and other financial covenants, including the following, all of which we were in compliance with as of June 30, 2005:

Maximum total indebtedness to total asset value of 65%;

Minimum interest coverage ratio of 2.0:1;

Minimum fixed charge coverage ratio of 1.7:1; and

Minimum tangible net worth of $400.0 million.

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The revolving credit facility also has customary restrictions on transfer or encumbrances of the facilities that secure the loan.

Multi-Facility Mortgage Loans

We have a multi-facility fixed rate mortgage loan, secured by 41 of our existing facilities, which currently has a principal balance of approximately $65.7 million, bears interest at a fixed rate of 8.16% and has an anticipated repayment date in November 2006. Lehman Capital is the lender under this loan, the terms of which prohibit, among other things, the transfer or encumbrance of the mortgaged facilities. The loan is not prepayable but we have certain defeasance rights.

We also have a multi-facility fixed rate mortgage loan, secured by ten of our existing facilities, which currently has a principal balance of approximately $39.5 million, bears interest at a fixed rate of 7.13% and has an anticipated repayment date in December 2006. Lehman Brothers Bank is the lender under this loan, the terms of which prohibit, among other things, the transfer or encumbrance of the mortgaged facilities. The loan is not prepayable but we have certain defeasance rights.

Concurrently with the closing of our IPO, three of our subsidiaries entered into three separate multi-facility fixed rate mortgage loans with an aggregate principal amount of approximately $270.0 million. The first mortgage loan, from Lehman Brothers Bank, FSB, is secured by 26 of our facilities, has an initial outstanding principal balance of $90.0 million, bears interest at 5.09% and matures in November 2009. The second mortgage loan, from Lehman Brothers Holdings, Inc., or *Lehman Capital,* is secured by 21 of our facilities, has an initial outstanding principal balance of $90.0 million, bears interest at 5.19% and matures in May 2010. The third mortgage loan, also from Lehman Capital, is secured by 18 of our facilities, has an initial outstanding principal balance of $90.0 million, bears interest at 5.33% and matures in January 2011. Each of these mortgage loans require us to establish reserves relating to the mortgaged facilities for real estate taxes, insurance and capital spending.

Single Facility Mortgage Loans

We have four single facility fixed rate mortgage loans outstanding, which loans currently have an aggregate principal balance of approximately $15.7 million, bear interest at fixed rates ranging from 6.22% to 8.63% per annum, and mature between December 2008 and January 2014. The terms of these loans prohibit, among other things, the prepayment thereof and the transfer or encumbrance of the mortgaged facility.

New Fixed Rate Mortgage Loans

On July 19, 2005 one of our subsidiaries entered into a fixed rate mortgage loan agreement with Lehman Brothers Bank, FSB, as the lender, in the principal amount of $80.0 million. The mortgage loan, which is secured by 24 of our self-storage facilities, bears interest at 5.13% and matures in August 2012. The mortgage loan will become immediately due and payable, and the lender will be entitled to interest on the unpaid principal sum at an increased rate, if any required payment is not paid on or prior to the date when due or on the happening of any other event of default. This mortgage loan requires the borrower to establish reserves relating to the mortgaged facilities for replacements, repairs, real estate taxes and insurance. Our operating partnership is a guarantor under this mortgage loan with respect to certain exceptions to the non-recourse provisions of the loan.

On August 4, 2005 one of our subsidiaries entered into a fixed rate mortgage loan agreement with LaSalle Bank National Association, as the lender, in the principal amount of $80.0 million. The mortgage loan, which is secured by 28 of our self-storage facilities, bears interest at 4.96% and matures in September 2012. The mortgage loan will become immediately due and payable, and the lender will be entitled to interest on the unpaid principal sum at an increased rate, if any required payment is not paid on or prior to the date when due or on the happening of any other event of default. This mortgage loan requires the borrower to establish reserves relating to the mortgaged facilities for replacements, repairs, real estate taxes and insurance. Our operating partnership is a guarantor under this mortgage loan with respect to certain exceptions to the non-recourse provisions of the loan.

Pending Fixed Rate Mortgage Loan

We expect to enter into a multi-facility fixed rate mortgage loan in October 2005 in the principal amount of up to $75.0 million, which loan will bear interest at 5.98% and mature in October 2015. We assumed the obligation to enter into this loan in connection with the National Self Storage acquisition.

Competition

The continued development of new self-storage facilities has intensified the competition among self-storage operators in many market areas in which we operate. Self-storage facilities compete based on a number of factors, including location, rental rates, security, suitability of the facility s design to prospective customers needs and the manner in which the facility is operated and marketed. In particular, the number of competing self-storage facilities in a particular market could have a material effect on our occupancy levels, rental rates and on the overall operating performance of our facilities. We believe that the primary competition for potential customers of any of our self-storage facilities comes from other self-storage facilities within a three-mile radius of that facility. We believe we have positioned our facilities within their respective markets as high-quality operators that emphasize customer convenience, security and professionalism.

Our key competitors include: Public Storage, Shurgard Storage Centers, U-Haul International, Sovran Self Storage and Extra Space Storage Inc. These companies, some of which operate significantly more facilities than we do and have greater resources than we do, and other entities may generally be able to accept more risk than we determine is prudent, including risks with respect to the geographic proximity of facility investments and the payment of higher facility acquisition prices. This competition may generally reduce the number of suitable acquisition opportunities available to us, increase the price required to be able to consummate the acquisition of particular facilities and reduce the demand for self-storage space in certain areas where our facilities are located. Nevertheless, we believe that our experience in operating, acquiring, developing and obtaining financing for self-storage facilities, particularly our customer-oriented approach toward managing our facilities, should enable us to compete effectively.

Environmental Matters

We are subject to federal, state and local environmental regulations that apply generally to the ownership of real property and the operation of self-storage facilities.

Under various federal, state and local laws, ordinances and regulations, an owner or operator of real property may become liable for the costs of removal or remediation of hazardous substances released on or in its property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. The presence of hazardous substances, or the failure to properly remediate such substances, when released, may adversely affect the property owner s ability to sell the real estate or to borrow using real estate as collateral, and may cause the property owner to incur substantial remediation costs. In addition to claims for cleanup costs, the presence of hazardous substances on a property could result in a claim by a private party for personal injury or a claim by an adjacent property owner or user for property damage. We may also become liable for the costs of removal or remediation of hazardous substances stored at the facilities by a customer even though storage of hazardous substances would be in violation of the customer s storage lease agreement with us.

In order to assess the potential for cleanup liability, we obtain or examine environmental assessments of each of our facilities from a qualified and reputable environmental consulting firm (and intend to conduct such assessments prior to the acquisition or development of additional facilities). Whenever the environmental assessment for one of our facilities indicates that a facility is impacted by soil or groundwater contamination from prior owners/operators or other sources, we will work with our environmental consultants and where appropriate, state governmental agencies, to ensure that the facility is either cleaned up, that no cleanup is necessary because the low level of contamination poses no significant risk to public health or the environment, or that the responsibility for cleanup rests with a third party.

We are not aware of any environmental cleanup liability that we believe will have a material adverse effect on us. We cannot assure you, however, that these environmental assessments and investigations have revealed or will reveal all potential environmental liabilities, that no prior owner created any material environmental condition not known to us or the independent consultant or that future events or changes in environmental laws will not result in the imposition of environmental liability on us.

We have not received notice from any governmental authority of any material noncompliance, claim or liability in connection with any of the facilities, nor have we been notified of a claim for personal injury or property damage by a private party in connection with any of the facilities in connection with environmental conditions.

We are not aware of any environmental condition with respect to any of the facilities that could reasonably be expected to have a material adverse effect on our financial condition or results of operations, and we do not expect that the cost of compliance with environmental regulations will have a material adverse effect on our financial condition or results of operations. We cannot assure you, however, that this will continue to be the case.

Insurance

We believe that each of our facilities is covered by adequate fire, flood and property insurance provided by reputable companies and with commercially reasonable deductibles and limits. We maintain comprehensive liability, all-risk property insurance coverage with respect to all of the facilities with policy specifications, limits and deductibles customarily carried for in our industry. We believe that all of our current title insurance policies adequately insure fee title to the facilities.

Legal Proceedings

We are not presently involved in any material litigation nor, to our knowledge, is any material litigation threatened against us or our properties. We are involved in routine litigation arising in the ordinary course of business, none of which we believe to be material.

Offices and Website

Our principal executive office is located at 6745 Engle Road, Suite 300, Cleveland, Ohio 44130. Our telephone number is (440) 234-0700. We believe that our current facilities are adequate for our present and future operations. Our website address is www.u-store-it.com. The information on our website does not constitute a part of this prospectus.

Employees

As of June 30, 2005, we employed approximately 640 employees, of whom approximately 100 were corporate executive and administrative personnel and approximately 540 were management and administrative personnel. We believe that our relations with our employees are good. None of our employees are unionized.

MANAGEMENT

Executive Officers and Trustees

Our board of trustees consists of seven members, including five who are independent trustees for purposes of the New York Stock Exchange listing standards. Pursuant to our organizational documents, each of our trustees is elected by our shareholders to serve until the next annual meeting and until his successor is duly elected and qualified. See Description of Shares Certain Provisions of Maryland Law and Our Declaration of Trust and Bylaws, beginning on page 124. Subject to rights pursuant to any employment agreements, officers serve at the pleasure of our board of trustees.

The following table sets forth information concerning each of our trustees and executive officers as of June 30, 2005:

Name	Age	Position
Robert J. Amsdell	65	Chairman of the Board of Trustees and Chief Executive Officer
Steven G. Osgood	48	President and Chief Financial Officer
Todd C. Amsdell	37	Chief Operating Officer
Tedd D. Towsley	50	Vice President and Treasurer
Barry L. Amsdell	60	Trustee
Thomas A. Commes	63	Trustee
John C. Dannemiller	67	Trustee
William M. Diefenderfer III	60	Trustee
Harold S. Haller	67	Trustee
David J. LaRue	44	Trustee

Robert J. Amsdell has served as our Chairman of the board of trustees and Chief Executive Officer since our initial public offering in October 2004. Mr. Amsdell was the President and Chief Executive Officer of the Amsdell Companies, a real estate company, from 1976 until 2004. Mr. Amsdell has been involved in all aspects of the self-storage industry, including the development, ownership and management of self-storage facilities, for over 30 years. Mr. Amsdell is an attorney by profession and was an associate at the law firm of Squire, Sanders & Dempsey from 1964 to 1970 and a partner in the law firm of Calfee, Halter & Griswold from 1971 to 1975. During his legal career, he represented numerous national corporations, providing them with legal services which included real estate and development negotiations. Mr. Amsdell was previously Chairman of the American Bar Association s Real Estate and Land Use Committee, and as such he is frequently a speaker for real estate seminars. Mr. Amsdell previously served as a member of Storage USA s advisory board. Mr. Amsdell earned a B.A. in History and Political Science from Westminster College and a J.D. from Case Western Reserve Law School. He is the brother of Barry L. Amsdell, one of our trustees, and the father of Todd C. Amsdell, our Chief Operating Officer.

Steven G. Osgood has served as our President and Chief Financial Officer since our initial public offering in October 2004, and as such is primarily responsible for all aspects of finance and accounting, including the negotiation and arrangement of debt financing for the development and acquisition of real estate, overall company financial budgeting, and corporate operations and administration. Mr. Osgood served as the Chief Financial Officer of the Amsdell Companies from 1993 until 2004. Prior to joining the Amsdell Companies, he was Vice President and Controller of the commercial property management division of Forest City Enterprises, Inc., a publicly-traded real estate company, from 1989 to 1993. Mr. Osgood is a Certified Public Accountant (inactive) and was a member of the auditing staff of Touche Ross & Co. from 1978 to 1982.

Todd C. Amsdell has served as our Chief Operating Officer since our initial public offering in October 2004, and as such is directly responsible for the property management operations of all of our facilities across the country. He also currently serves as a board member of the Diamond Storage Alliance, a network of self-

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storage operators designed to market self-storage to national commercial customers. Mr. Amsdell served as the President of Operations of the Amsdell Companies from 1995 to 2004. Mr. Amsdell earned his B.A. in Economics Management from Ohio Wesleyan University. He is the son of Robert J. Amsdell, our Chairman of the board of trustees and Chief Executive Officer, and the nephew of Barry L. Amsdell, one of our trustees.

Tedd D. Towsley has served as our Vice President and Treasurer since our initial public offering in October 2004, and as such is directly responsible for the overall accounting and cash management functions of the Company. Mr. Towsley served as Executive Vice President and Controller of U-Store-It Mini Warehouse Co. from 2001 to 2004, and as Controller of U-Store-It Mini Warehouse Co. from 1994 until 2001. Mr. Towsley was a member of the auditing staff of Touche Ross & Co. from 1977 to 1981.

Barry L. Amsdell has served as a trustee since our initial public offering in October 2004. Mr. Amsdell has served as President of Amsdell Construction, a real estate development company, since 1973. Mr. Amsdell has been involved in the development, ownership and management of real estate in a variety of property types for over 35 years and, together with his brother, Robert J. Amsdell, has been involved in the self-storage industry since its infancy in the early 1970 s. Mr. Amsdell is the brother of Robert J. Amsdell and the uncle of Todd C. Amsdell.

Thomas A. Commes has served as a trustee since our initial public offering in October 2004. Mr. Commes served as the President and Chief Operating Officer of The Sherwin-Williams Company, a manufacturer, distributor, and retailer of paints and painting supplies, from 1986 to 1999. He also served as a member of the Board of Directors of The Sherwin-Williams Company from 1980 to 1999. Mr. Commes currently serves on the boards of Agilysys, Inc., a Nasdaq-listed distributor and reseller of computer technology solutions, Applied Industrial Technologies, Inc., a distributor of industrial, fluid power and engineered products and systems listed on the NYSE, and Pella Corporation, a privately-owned company that is a leading manufacturer of windows, entry door systems, storm doors and patio doors, and serves as the chairman of the Audit Committee of all three companies. Mr. Commes also serves as a trustee for and is on the Executive, Investment, Finance & Budget and Audit Committees of The Cleveland Clinic Foundation. Mr. Commes is a former Certified Public Accountant.

John C. (Jack) Dannemiller has served as a trustee since our initial public offering in October 2004. Mr. Dannemiller served as the Chairman of the Board of Directors and Chief Executive Officer of Applied Industrial Technologies, Inc., a distributor of industrial, fluid power and engineered products and systems listed on the NYSE, from 1992 to 2000. He served as President of Applied Industrial Technologies, Inc. from 1996 to 1999, as Executive Vice President and Chief Operating Officer from 1988 to 1992, and served as a member of its Board of Directors from 1985 to 2000 (including his tenure as Chairman). Prior to joining Applied Industrial Technologies, Inc., he served as President and Chief Operating Officer of Leaseway Transportation, a privately-owned motor vehicle transportation company. Mr. Dannemiller currently serves on the board and the Compensation, Governance and Nominating Committees of The Lamson & Session Co., a NYSE-listed company that produces thermoplastic products, and also serves on the boards of The Cleveland Clinic Foundation, Cleveland Clinic Western Region, Cleveland Clinic Naples Florida and Fairview Lutheran Foundation.

William M. Diefenderfer III has served as a trustee since our initial public offering in October 2004. Mr. Diefenderfer has been a partner in the law firm of Diefenderfer, Hoover, Boyle & Wood since 1991. Mr. Diefenderfer served as Chief Executive Officer and President of Enumerate Solutions Inc., a privately-owned technology company that he co-founded, from 2000 to 2002. From 1992 to 1996, Mr. Diefenderfer served as Treasurer and Chief Financial Officer of Icarus Aircraft, Inc., a privately-owned aviation technology company. He currently serves on the board and as the Chair of the Audit Committee, a member of the Nominations and Governance Committee and a member of the Executive Committee of SLM Corporation, a NYSE-listed company more commonly known as Sallie Mae. Additionally, Mr. Diefenderfer serves as Vice-Chairman of the Board of Directors of Enumerate Solutions Inc., as well as chairman of its Audit Committee. Mr. Diefenderfer is currently serving a two-year term on the Public Company Accounting Oversight Board s Standing Advisory Group which began in 2004 and will end in 2005. The Public Company Accounting

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Oversight Board was established by the U.S. Congress as part of the Sarbanes-Oxley Act of 2002 to oversee and regulate the accounting profession.

Harold S. Haller, Ph.D. has served as our lead trustee since our initial public offering in October 2004. Dr. Haller has been a management consultant since 1967. He formed Harold S. Haller & Company in 1983 to help management of companies improve quality and productivity in production, marketing, business administration and research and development. Dr. Haller is also a lecturer and a writer of technical papers within his field. He has been an adjunct professor at Case Western Reserve University for 21 years and is currently the Director of the Case Statistical Consulting Center. Dr. Haller worked closely with Dr. W.E. Deming in Dr. Deming s four-day management seminars from 1985 until Dr. Deming s death in 1993.

David J. LaRue has served as a trustee since our initial public offering in October 2004. Mr. LaRue has been President and Chief Operating Officer of Forest City Commercial Group, the largest strategic business unit of Forest City Enterprises, Inc., a publicly-traded real estate company, since 2003. Mr. LaRue is responsible for the execution of operating and development plans within the Commercial Group, which owns, develops, acquires and manages retail, office, hotel and mixed-use projects throughout the United States. Mr. LaRue served as Executive Vice President of Forest City Rental Properties from 1997 to 2003. Mr. LaRue has been with Forest City since 1986. Forest City is a partner in the entity that owns Emerald Corporate Park, a real estate asset in which Robert J. Amsdell and Barry L. Amsdell own an interest. Prior to joining Forest City in 1986, he was a financial analyst for The Sherwin-Williams Company. Additionally, Mr. LaRue is involved as a board member of the following non-profit entities: the Greater Cleveland Sports Commission, the Friends of the Cleveland School of the Arts and (i) Cleveland, a Greater Cleveland Partnership Initiative.

Promoters

Robert J. Amsdell, Barry L. Amsdell, Steven G. Osgood and Todd C. Amsdell are considered our promoters under the federal securities laws. As discussed above, these individuals serve as our officers and/or trustees. Their designation as promoters under the federal securities laws indicates that they took the initiative in founding and organizing our business.

Corporate Governance Profile

We have structured our corporate governance in a manner we believe closely aligns our interests with those of our shareholders. Notable features of our corporate governance structure include the following:

Our board of trustees is not staggered, with each of our trustees subject to re-election annually;

Of the seven persons who currently serve on our board of trustees, five have been determined by us to be independent for purposes of the New York Stock Exchange s listing standards and Rule 10A-3 under the Securities Exchange Act of 1934, as amended;

Our board of trustees has determined that at least one of our trustees qualifies as an audit committee financial expert as defined by the Securities and Exchange Commission;

We have opted out of the Maryland business combination and control share acquisition statutes;

We do not have a shareholder rights plan; and

We have adopted corporate governance guidelines as guiding principles for our board of trustees which cover, among other things, trustee responsibilities and qualifications, functioning of the board and its committees, trustee compensation, related party transactions and management evaluation and succession.

Committees of the Board of Trustees

The Board of Trustees has a standing Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. All members of the committees described below are independent of the Company as that term is defined in the New York Stock Exchange s listing standards.

Audit Committee

The principal purpose of the Audit Committee is to assist the board of trustees in the oversight of:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- the qualification and independence of our independent auditors; and
- the performance of our internal audit function and independent auditors.

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of our independent auditors and is also responsible for reviewing with our independent auditors any audit problems or difficulties they have encountered in the course of their audit. The Audit Committee is also charged with the tasks of reviewing our financial statements, any financial reporting issues and the adequacy of internal control with management and our independent auditors.

Our Audit Committee s written charter requires that all members of the committee meet the independence, experience, financial literacy and expertise requirements of the New York Stock Exchange, the Sarbanes-Oxley Act of 2002, the Securities Exchange Act of 1934, as amended, and applicable rules and regulations of the Securities and Exchange Commission, all as in effect from time to time. All of the members of the Audit Committee meet the foregoing requirements. Our board of trustees has determined that William M. Diefenderfer III is an audit committee financial expert as defined by the rules and regulations of the Securities and Exchange Commission.

Compensation Committee

The principal purposes of the Compensation Committee are to:

- review and approve our corporate goals and objectives with respect to the compensation of our Chief Executive Officer, evaluate the Chief Executive Officer s performance in light of those goals and objectives, and determine and approve, either as a committee or with the Company s other independent trustees, the appropriate level and structure of the Chief Executive Officer s compensation;
- determine and approve, either as a committee or together with our other independent trustees, the compensation of the other executive officers;
- make recommendations to the board of trustees regarding compensation of trustees; and
- recommend, implement and administer our incentive and equity-based compensation plans.

Corporate Governance and Nominating Committee

The principal purposes of the Corporate Governance and Nominating Committee are to:

- identify individuals that are qualified to serve as trustees;
- recommend such individuals to the board of trustees, either to fill vacancies that occur on the board of trustees from time to time or in connection with the selection of trustee nominees for each annual meeting of shareholders;
- periodically assess the size of the board of trustees to ensure it can effectively carry out its obligations;

- develop, recommend, implement and monitor our corporate governance guidelines and our codes of business conduct and ethics;
- review and approve any related party transactions;
- oversee the evaluation of the board of trustees and management; and
- ensure that we are in compliance with all New York Stock Exchange corporate governance listing requirements.

Compensation of Trustees

The members of our board of trustees who are also our employees do not receive any compensation for their services on our board. We currently pay our non-employee trustees (which, for purposes of trustee compensation, includes Thomas A. Commes, John C. Dannemiller, William M. Diefenderfer III, Harold S. Haller and David J. LaRue, but does not include Barry L. Amsdell) $1,000 per board or committee meeting and we reimburse them for their reasonable travel expenses incurred in connection with their attendance at board meetings. All non-employee trustees also receive an annual retainer of $25,000 and the chairs of the Audit, Compensation and Corporate Governance and Nominating Committees receive additional annual retainers of $10,000, $7,500 and $5,000, respectively. The lead trustee currently receives an additional annual retainer of $10,000.

Non-employee trustees also receive long-term incentive compensation through annual grants of restricted shares. At the closing of our IPO, each newly appointed non-employee trustee received 4,063 restricted shares with a value of approximately $65,000, consisting of approximately $50,000 for joining the board of trustees and approximately $15,000 paid in advance for service to be provided for the remainder of 2004 and 2005. The restricted shares were granted under our 2004 Equity Incentive Plan. The restricted shares vest 100% and all restrictions thereon lapse on the first anniversary of the date of grant. If a trustee terminates his or her service at any time prior to the first anniversary of the date of grant, the restricted shares will be forfeited. The restricted shares are held in escrow by us until they vest. Each trustee will be entitled to the payment of any dividends paid on the restricted shares.

Pursuant to the terms of our Deferred Trustees Plan, each non-employee member of our board of trustees may elect to receive all of his annual cash retainers and meeting fees payable for service on our board or any committee of our board in the form of either all common shares or all deferred shares. The terms of our Deferred Trustees Plan are discussed in more detail in Equity and Benefit Plans Deferred Trustees Plan beginning on page 98.

Compensation Committee Interlocks and Insider Participation

Prior to the closing of our IPO, all compensation decisions were made by our board of trustees, which at the time consisted of Robert J. Amsdell and Barry L. Amsdell.

Since the closing of our IPO, the members of the Compensation Committee of the board of trustees have consisted of Thomas A. Commes, John C. Dannemiller and Harold S. Haller, each of whom is an independent trustee. None of these trustees, nor any of our executive officers, serves as a member of the governing body or compensation committee of any entity that has one or more executive officers serving as a member of our Compensation Committee.

Executive Compensation

The following tables contain certain compensation information for the period from October 21, 2004, the date we commenced operations, to December 31, 2004 for our Chief Executive Officer and our three other executive officers, who we collectively refer to as our *named executive officers* :

(a) Summary Compensation Table

		Annual Compensation		Long-Term Compensation Awards		
Name and Principal Position	Year	Salary ($)(1)	Bonus($)	Restricted Stock Awards ($)	Securities Underlying Options(2)	All Other Compensation(3)
Robert J. Amsdell, Chairman and Chief Executive Officer	2004	$ 35,312	$ 0	$ 0	0	$ 1,167
Steven G. Osgood, President and Chief Financial Officer	2004	$ 68,359	$ 1,150,000(4)	$ 0	200,000	$ 1,167
Todd C. Amsdell, Chief Operating Officer	2004	$ 68,359	$ 1,150,000(4)	$ 0	200,000	$ 1,167
Tedd D. Towsley, Vice President and Treasurer	2004	$ 39,062	$ 400,000(5)	$ 0	100,000	$ 1,167

(1) Represents the salary earned by the executive officer from October 21, 2004, the date we commenced operations, to December 31, 2004. The annualized base salary of each executive officer for 2004 was as follows: Robert J. Amsdell $200,000; Steven G. Osgood $350,000; Todd C. Amsdell $350,000; and Tedd D. Towsley $200,000.

(2) Represents options awarded at the closing of our IPO in October 2004. The right to purchase shares under the options vests as to 1/3 of the total number of shares covered by the options on each of the first three anniversaries of the vesting start date of October 21, 2004, provided the optionee is still employed by us. The options were granted at an exercise price equal to the IPO price of $16.00.

(3) Represents each executive s automobile allowance for the period from October 21, 2004 to December 31, 2004.

(4) Represents $150,000 of bonus and 62,500 deferred shares. The deferred shares were granted under our 2004 Equity Incentive Plan concurrently with the closing of our IPO in October 2004. The deferred shares are 100% vested. Unless otherwise elected, 50% of the deferred shares will be delivered on the first business day following January 1, 2006 and 50% of the deferred shares will be delivered on the first business day following January 1, 2007. If service terminates prior to the distribution of any deferred shares, the deferred shares will be immediately distributable. Each individual will be entitled to receive a payment equal to any dividend payments made on the deferred shares during the deferral period. Based on the closing share price of our common shares of $17.35 on December 31, 2004, the deferred shares had a value of $1,084,375.

(5)

Represents $100,000 of bonus and 18,750 deferred shares. The deferred shares were granted under our 2004 Equity Incentive Plan concurrently with the closing of our IPO in October 2004. The deferred shares are 100% vested. Unless otherwise elected, 50% of the deferred shares will be delivered on the first business day following January 1, 2006 and 50% of the deferred shares will be delivered on the first business day following January 1, 2007. If service terminates prior to the distribution of any deferred shares, the deferred shares will be immediately distributable. Each individual will be entitled to receive a payment equal to any dividend payments made on the deferred shares during the deferral period. Based on the closing share price of our common shares of $17.35 on December 31, 2004, the deferred shares had a value of $325,313.

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(b) Option Grants in 2004

Name	Number of Securities Underlying Options Granted (#)	% of Total Options Granted to Employees in 2004	Exercise or Base Price ($/Sh)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Share Price Appreciation for Option Term 5% ($)(2)	10% ($)(2)
Robert J. Amsdell	0					
Steven G. Osgood	200,000(1)	21.1%	$ 16.00	10/20/2014	$ 2,012,463	$ 5,099,976
Todd C. Amsdell	200,000(1)	21.1%	$ 16.00	10/20/2014	$ 2,012,463	$ 5,099,976
Tedd D. Towsley	100,000(1)	10.5%	$ 16.00	10/20/2014	$ 1,006,231	$ 2,549,988

(1) The right to purchase shares under the options vests as to 1/3 of the total number of shares covered by the options on each of the first three anniversaries of the vesting start date of October 21, 2004, provided the optionee is still employed by us. The employment agreements for Steven G. Osgood, Todd C. Amsdell and Tedd D. Towsley provide that if the respective individual terminates his employment for good reason or is terminated without cause, all equity awards held by the individual will vest 100%. Good reason includes a change in control. See Employment and Noncompetition Agreements below.

(2) The 5% and 10% rates of appreciation were set by the Securities and Exchange Commission and are not intended to forecast future appreciation, if any, of our common shares.

(c) Aggregated Option Exercises in 2004 and Fiscal Year-End Option Values

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options at FY-End: Exercisable	Unexercisable	Value of Unexercised In-the-Money Options at FY-End ($)(1): Exercisable	Unexercisable
Robert J. Amsdell						
Steven G. Osgood	0	$ 0	0	200,000	$ 0	$ 270,000
Todd C. Amsdell	0	$ 0	0	200,000	$ 0	$ 270,000
Tedd D. Towsley	0	$ 0	0	100,000	$ 0	$ 135,000

(1) Based upon the closing price per share of our common shares of $17.35 on December 31, 2004.

Employment and Noncompetition Agreements

We have entered into employment agreements with each of our named executive officers.

Pursuant to their employment agreements, Robert J. Amsdell, Steven G. Osgood, Todd C. Amsdell and Tedd D. Towsley agreed to serve, respectively, as (a) our Chairman and Chief Executive Officer, (b) our President and Chief Financial Officer, (c) our Chief Operating Officer and (d) our Vice President and Treasurer. The term of each agreement commenced concurrently with the closing of our IPO on October 27, 2004 and ends on December 31, 2007, with automatic one-year renewals unless either we or the individual elects not to renew the agreement. Under the agreements, Robert J. Amsdell receives an annual salary of $200,000, Steven G. Osgood receives an annual salary of $350,000, Todd C. Amsdell receives an annual salary of $350,000 and Tedd D. Towsley receives an annual salary of $200,000, subject in each case to annual increases in the sole discretion of our board of trustees or the compensation committee of our board of trustees. Each of the executives is also eligible to participate in any bonus plan established by the compensation committee of our board of trustees. In addition, each executive will participate in any group life, hospitalization, disability, health, pension, profit sharing and other benefit plans we adopt with respect to comparable senior level executives. Among other perquisites, each executive also receives either an annual automobile allowance of $6,000 or we provide a suitable automobile to the executive.

In the event any executive s employment agreement is terminated for disability or death, he or the beneficiaries of his estate will receive any accrued and unpaid salary, vacation and other benefits, any unpaid bonus for the prior year, a pro rated bonus in the year of termination (based on the target bonus for that year), and all equity awards shall immediately vest and become fully exercisable. If we terminate any executive s employment agreement for cause or an executive terminates his employment agreement without good reason, the executive will only have the right to receive any accrued and unpaid salary, vacation and other benefits, any bonus as provided for in the bonus plan and reimbursement for expenses incurred but not paid prior to the date of termination.

If we terminate any executive s employment agreement without cause or an executive terminates his employment agreement for good reason, the executive will have the right to receive any accrued and unpaid salary, vacation and other benefits; any unpaid bonus for the prior year, a pro rated bonus in the year of termination (based on the target bonus for that year), reimbursement for expenses incurred but not paid prior to the date of termination, continued medical, prescription and dental benefits for eighteen months and a cash payment equal to two times (or three times with respect to Robert J. Amsdell) the sum of his annual salary as of the date of the termination of the agreement and the average bonus actually paid for the prior two calendar years. In addition, all equity awards shall immediately vest and become fully exercisable. If we elect not to renew any executive s employment agreement, the executive will have the right to receive a cash payment equal to one times the sum of his annual salary as of the date of expiration of the employment agreement and the average bonus actually paid for the prior two calendar years.

If we terminate any executive s employment agreement for cause, the executive shall have no right to receive any compensation or benefits under the employment agreement on or after the effective date of termination, other than annual salary and other benefits including payments for accrued but unused vacation prior to the date of termination.

Each employment agreement defines cause as the executive s conviction for a felony or a misdemeanor involving moral turpitude; commission of an act of fraud, theft or dishonesty related to our business or the business of our affiliates or to his duties; willful and continuing failure or habitual neglect to perform his duties; material violation of confidentiality covenants or noncompetition agreement; or willful and continuing breach of the employment agreement.

Each employment agreement defines good reason as: a material reduction in the executive s authority, duties and responsibilities or the assignment to him of duties materially and adversely inconsistent with his position; a reduction in the executive s annual salary; our failure to obtain a reasonably satisfactory agreement from any successor to our business to assume and perform the employment agreement; a change in control (as defined in the employment agreement); our material and willful breach of the employment agreement; or our requirement that the executive s work location be moved more than 50 miles from our principal place of business in Cleveland, Ohio unless the executive s work location is closer to his primary residence.

Each executive is entitled to receive payment from us of an amount sufficient to make him whole for any excise tax imposed on payments made contingent on a change in control under Section 4999 of the Internal Revenue Code.

In addition to the employment agreements, our executive officers and Barry L. Amsdell, one of our trustees, entered into noncompetition agreements with us, which became effective as of the completion of our IPO on October 27, 2004. The noncompetition agreements contain covenants not to compete for a period that is the longer of either the three-year period beginning as of the date of the noncompetition agreement or the period of the executive s or trustee s service with us plus an additional one-year period. The noncompetition agreements provide that each of the executives and Barry L. Amsdell will not directly or indirectly engage in any business involving self-storage facility development, construction, acquisition or operation or own any interests in any self-storage facilities in each case in the United States of America, other than (a) any interests they may own in the option facilities through their interests in Rising Tide Development and (b) up to 5% of the outstanding shares of any public company. The noncompetition agreements also contain a nonsolicitation covenant that applies to employees and independent contractors. The nonsolicitation covenant lasts for a

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period that is the longer of either the three-year period beginning as of the date of the noncompetition agreement or the period of the executive s or trustee s service with us plus an additional two-year period.

Equity and Benefit Plans

Descriptions of the provisions of our 2004 Equity Incentive Plan, which we refer to as the equity incentive plan, and our deferred trustees plan, which is a component of our equity incentive plan, are set forth below. These summaries are qualified in their entirety by the detailed provisions of the equity incentive plan and the deferred trustees plan, which are exhibits to the registration statement of which this prospectus is a part.

Our board of trustees and shareholders approved the equity incentive plan on October 1, 2004. The purpose of the equity incentive plan is to provide incentives to our employees, non-employee trustees and other service providers to stimulate their efforts toward our continued success, long-term growth and profitability and to attract, reward and retain key personnel.

A total of 3,000,000 common shares are available for issuance under the equity incentive plan, subject to reduction under certain circumstances. The maximum number of common shares subject to options, share appreciation rights or time-vested restricted shares that can be issued under the equity incentive plan to any person is 500,000 shares in any single calendar year. The maximum number of shares that can be issued under the equity incentive plan to any person other than pursuant to an option, share appreciation rights or time-vested restricted shares is 250,000 shares in any single calendar year.

The maximum amount that may be earned as an annual incentive award or other cash award in any fiscal year by any one person is $2,000,000 and the maximum amount that may be earned as a performance award or other cash award in respect of a performance period by any one person is $5,000,000.

Administration. The equity incentive plan is administered by the compensation committee of our board of trustees. Subject to the terms of the equity incentive plan, the compensation committee selects participants to receive awards, determines the types of awards and their terms and conditions, and interprets provisions of the equity incentive plan.

Source of Shares. The common shares issued or to be issued under the equity incentive plan consist of authorized but unissued shares. If any shares covered by an award are not purchased or are forfeited, if an award is settled in cash or if an award otherwise terminates without delivery of any common shares, then the number of common shares counted against the aggregate number of shares available under the plan with respect to the award will, to the extent of any such forfeiture or termination, again be available for making awards under the equity incentive plan, but will be deducted from the maximum individual limits described above.

If the option price, a withholding obligation or any other payment is satisfied by tendering shares or by withholding shares, only the number of shares issued net of the shares tendered or withheld will be deemed delivered for purpose of determining the maximum number of shares available for delivery under the equity incentive plan.

Eligibility. Awards may be made under the equity incentive plan to our or our affiliates employees, trustees and consultants and to any other individual whose participation in the equity incentive plan is determined to be in our best interests by our board of trustees.

Amendment or Termination of the Plan. While our board of trustees may terminate or amend the equity incentive plan at any time, no amendment may materially adversely impair the rights of grantees with respect to outstanding awards. In addition, an amendment will be contingent on approval of our shareholders to the extent required by law or if the amendment would increase the benefits accruing to participants under the equity incentive plan, materially increase the aggregate number of common shares that may be issued under the equity incentive plan, or materially modify the requirements as to eligibility for participation in the equity incentive plan.

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Unless terminated earlier, the equity incentive plan will terminate in 2014, but will continue to govern unexpired awards.

Options. The equity incentive plan permits the granting of options to purchase common shares intended to qualify as incentive stock options under the Code, referred to as incentive stock options, and stock options that do not qualify as incentive stock options, referred to as nonqualified stock options. The exercise price of each stock option may not be less than 100% of the fair market value of our common shares on the date of grant. If we were to grant incentive stock options to any 10% shareholder, the exercise price may not be less than 110% of the fair market value of our common shares on the date of grant. We may grant options in substitution for options held by employees of companies that we may acquire. In this case, the exercise price would be adjusted to preserve the economic value of the employee s stock option from his or her former employer. Such options granted in substitution shall not count against the shares available for issuance under the equity incentive plan.

The term of each stock option is fixed by the compensation committee and may not exceed ten years from the date of grant. The compensation committee determines at what time or times each option may be exercised and the period of time, if any, after retirement, death, disability or termination of employment during which options may be exercised. Options may be made exercisable in installments. The exercisability of options may be accelerated by the compensation committee. The exercise price of an option may not be amended or modified after the grant of the option, and an option may not be surrendered in consideration of or exchanged for a grant of a new option having an exercise price below that of the option which was surrendered or exchanged.

In general, an optionee may pay the exercise price of an option by cash or cash equivalents acceptable to us, by tendering common shares (which if acquired from us have been held by the optionee for at least six months) or by means of a broker-assisted cashless exercise. Stock options granted under the equity incentive plan may not be sold, transferred, pledged, or assigned other than by will or under applicable laws of descent and distribution. However, we may permit limited transfers of non-qualified options for the benefit of immediate family members of grantees to help with estate planning concerns.

Other Awards. The compensation committee may also award under the equity incentive plan:

- common shares subject to restrictions;
- common share units, which are the conditional right to receive a common share in the future, subject to restrictions and to a risk of forfeiture;
- unrestricted common shares, in lieu of cash bonuses, which are common shares issued at no cost or for a purchase price determined by the compensation committee which are free from any restrictions under the equity incentive plan;
- dividend equivalent rights entitling the grantee to receive credits for dividends that would be paid if the grantee had held a specified number of common shares, which shall be granted, if at all, in tandem with stock options on a one-for-one basis;
- a right to receive a number of common shares or, in the discretion of the compensation committee, an amount in cash or a combination of shares and cash, based on the increase in the fair market value of the shares underlying the right during a stated period specified by the compensation committee; and
- performance and annual incentive awards, ultimately payable in common shares or cash, as determined by the compensation committee.

The compensation committee may grant multi-year and annual incentive awards subject to achievement of specified performance goals tied to business criteria described below.

Section 162(m) of the Code limits publicly held companies to an annual deduction for federal income tax purposes of $1,000,000 for compensation paid to their chief executive officer and the four highest compensated executive officers other than the chief executive officer determined at the end of each year, referred to as covered employees. However, performance-based compensation is excluded from this limitation.

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The equity incentive plan is designed to permit the compensation committee to grant awards that qualify as performance-based for purposes of satisfying the conditions of Section 162(m), but it is not required under the plan that awards qualify for this exception.

Business Criteria. The compensation committee will use one or more of the following business criteria, on a consolidated basis, and/or with respect to specified subsidiaries or lending groups (except with respect to the total shareholder return and earnings per share criteria), in establishing performance goals for awards intended to comply with Section 162(m) of the Code granted to covered employees:

total shareholder return;

total shareholder return as compared to total return (on a comparable basis) of a publicly available index such as, but not limited to, the Standard & Poor s 500 Stock Index;

net income;

net operating income;

pretax earnings;

funds from operations;

earnings calculated before any or all of the following: interest expense, interest, taxes, depreciation and amortization;

operating margin;

earnings per share;

return on equity;

return on capital;

return on assets;

return on investment;

operating earnings;

working capital;

ratio of debt to shareholders equity; and

revenue.

Adjustments for Share Dividends and Similar Events. The compensation committee will make appropriate adjustments in outstanding awards and the number of shares available for issuance under the equity incentive plan, including individual limitations on awards, to reflect common share dividends, share splits, spin-offs and other similar events.

Deferred Trustees Plan

In May 2005, we implemented the Deferred Trustees Plan, a component of our equity incentive plan, upon the approval of our board of trustees. The Deferred Trustees Plan is intended to comply with the requirements of Section 409A of the Code, recently enacted under the American Jobs Creation Act of 2004.

Pursuant to the terms of the Deferred Trustees Plan, only non-employee members of our board are eligible to participate in the Deferred Trustees Plan. Each eligible trustee may elect to receive all of his annual cash retainers and meeting fees