U-Store-It Trust
Form 10-K
February 29, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

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

For the fiscal year ended December 31, 2007

OR

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

For the transition period from to

Commission file number 001-32324

U-STORE-IT TRUST

(Exact Name of Registrant as Specified in Its Charter)

Maryland	**20-1024732**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
50 Public Square Suite 2800 Cleveland, Ohio	**44113**
(Address of Principal Executive Offices)	(Zip Code)

Registrant s telephone number, including area code **(216) 274-1340**

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

Title of each class	**Name of each exchange on which registered**
Common Shares, $0.01 par value per share	New York Stock Exchange

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **YES** x **NO** o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. **YES** o **NO** x

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. **YES** x **NO** o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

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

Large Accelerated Filer x Accelerated Filer o Non-Accelerated Filer o Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **YES** o **NO** x

As of June 30, 2007, the last business day of the registrant s most recently completed second quarter, the aggregate market value of common shares held by non-affiliates of the registrant was $942,351,737.

As of February 27, 2008, the number of common shares of the registrant outstanding was 57,847,325.

Documents incorporated by reference: Portions of the Proxy Statement for the 2008 Annual Meeting of Shareholders of the Registrant to be filed subsequently with the SEC are incorporated by reference into Part III of this report.

TABLE OF CONTENTS

PART I		3
Item 1.	Business	3
Item 1A.	Risk Factors	10
Item 1B.	Unresolved Staff Comments	21
Item 2.	Properties	21
Item 3.	Legal Proceedings	30
Item 4.	Submission of Matters to a Vote of Security Holders	30
PART II		30
Item 5.	Market for Registrant s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities	31
Item 6.	Selected Financial Data	33
Item 7.	Management s Discussion and Analysis of Financial Condition and Results of Operations	36
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	49
Item 8.	Financial Statements and Supplementary Data	50
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	50
Item 9A.	Controls and Procedures	50
Item 9B.	Other Information	50
PART III		50
Item 10.	Trustees, Executive Officers and Corporate Governance	51
Item 11.	Executive Compensation	51
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters	51
Item 13.	Certain Relationships and Related Transactions, and Trustee Independence	51
Item 14.	Principal Accountant Fees and Services	51
PART IV		52
Item 15.	Exhibits and Financial Statement Schedules	52

PART I

Forward-Looking Statements

This Annual Report on Form 10-K, together with other statements and information publicly disseminated by U-Store-It Trust (we, us, our or the Company), contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Although we believe the expectations reflected in these forward-looking statements are based on reasonable assumptions, future events and actual results, performance, transactions or achievements, financial and otherwise, may differ materially from the results, performance, transactions or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to:

- 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 including the risk of over-leverage and the corresponding risk of default on our mortgage and other debt;
- increases in interest rates and operating costs;
- our ability to maintain our status as a real estate investment trust (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;

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

- other risks identified in Item 1A of this Annual Report on Form 10-K and, from time to time, in other reports we file with the Securities and Exchange Commission (the SEC) or in other documents that we publicly disseminate.

We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise except as may be required in securities laws.

ITEM 1. *BUSINESS*

Overview

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

As of December 31, 2007, we owned 409 self-storage facilities located in 26 states and aggregating approximately 26.1 million rentable square feet. As of December 31, 2007, our 409 facilities were approximately 79.5% leased to approximately 180,000 tenants and no single tenant accounted for more than 1% of our annual rental revenue.

Our self-storage facilities are designed to offer affordable, easily-accessible and secure storage space for our 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 307, or approximately 75%, 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 customers with the highest standard of facilities and service in the industry. To that end, approximately 53% of our facilities include climate controlled units, compared to the national average of 39% reported by the 2007 Self-Storage Almanac.

We were formed in July 2004 to succeed the self-storage operations owned directly and indirectly by Robert J. Amsdell, Barry L. Amsdell, Todd C. Amsdell, and their affiliated entities and related family trusts (which entities and family trusts are referred to herein as the Amsdell Entities). 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. From our inception until October 2004, we did not have any operations. We commenced operations as a publicly-traded REIT in October 2004 after completing the mergers of certain Amsdell Entities with and into us, our initial public offering (IPO), and the consummation of various other formation transactions that occurred concurrently with, or shortly after, completion of our IPO.

We conduct all of our business through our operating partnership, U-Store-It, L.P., of which we serve as general partner, and its subsidiaries. As of December 31, 2007, we held approximately 91.9% 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.

Acquisition and Disposition Activity

As of December 31, 2007 and 2006, we owned 409 and 399 facilities, respectively, that contained an aggregate of 26.1 million and 25.4 million rentable square feet with occupancy rates of 79.5% and 78.2%, respectively. As of December 31, 2007 we had facilities in 26 states: Alabama, Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Utah, Virginia and Wisconsin. A complete listing of, and certain information about, our facilities is included in Item 2 of this Annual Report on Form 10-K. The following acquisitions occurred during the years ended December 31, 2007 and 2006:

Facility/Portfolio	Transaction Date	Total Number of Facilities		Purchase / Sale Price (in thousands)
2007 Acquisitions				
Sanford Portfolio	January 2007	1	$	6,300
Grand Central Portfolio	January 2007	2		13,200
Rising Tide Portfolio	September 2007	14		121,000
		17	$	140,500
2007 Dispositions				
South Carolina Assets	May 2007	3	$	12,750
Arizona Assets	December 2007	2		6,440
		5	$	19,190
2006 Acquisitions				
Nashville, TN Portfolio	January 2006	2	$	13,100
Dallas, TX Portfolio	January 2006	2		11,500
U-Stor Self Storage Portfolio	February 2006	3		10,800
Sure Save Portfolio	February 2006	24		164,500
Texas Storage Portfolio	March 2006	4		22,500
Nickey Portfolio	April 2006	4		13,600
SecurCare Portfolio	May 2006	4		35,700
Texas Storage Portfolio	June 2006	1		6,500
Jernigan Portfolio	July 2006	9		45,300
U-Stor Self Storage Portfolio	August 2006	1		3,500
Bailes Portfolio	August 2006	3		15,600
In & Out Self Storage Portfolio	August 2006	1		7,600
Texas Storage Portfolio	September 2006	2		12,200
		60	$	362,400

The following table summarizes the change in number of self-storage facilities from January 1, 2006 through December 31, 2007:

	2007	2006
Balance - Beginning of year	399	339
Facilities acquired	17	60
Facilities consolidated	(2)	
Facilities sold	(5)	
Balance - End of year	409	399

Financing Activities

We entered into the following significant financings during the years ended December 31, 2007, 2006 and 2005:

- *Lehman Brothers Fixed Rate Mortgage Loan.* In July 2005, one of our subsidiaries entered into a fixed rate mortgage loan agreement with Lehman Brothers Bank, FSB 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.

5

- *LaSalle Bank Fixed Rate Mortgage Loan.* In August 2005, one of our subsidiaries entered into a fixed rate mortgage loan agreement with LaSalle Bank National Association in the principal amount of $80.0 million. The mortgage loan, which is secured by 29 of our self-storage facilities, bears interest at 4.96% and matures in September 2012.

- *AEGON USA Fixed Rate Mortgage Loan.* In November 2005, one of our subsidiaries entered into a fixed rate mortgage loan with Transamerica Financial Life Insurance Company, a subsidiary of AEGON USA Realty Advisors, Inc., in the principal amount of $72.5 million. The mortgage loan, which is secured by 36 of our self-storage facilities, bears interest at 5.97% and matures in November 2015. We assumed the obligation to enter into this loan in connection with the National Self Storage acquisition.

- *Repayment of Balance under Revolving Credit Facility.* We used a portion of the proceeds from our October 2005 public offering to pay down the outstanding balance under our then existing $150.0 million secured revolving credit facility. The facility was scheduled to terminate on October 27, 2007, with the option for us to extend the termination date to October 27, 2008. As described below, we replaced our secured revolving credit facility with a $250.0 million unsecured revolving credit facility in February 2006. Borrowings under the facility bore interest at a variable rate based upon the prime rate or LIBOR and in each case, a spread depending on our leverage ratio. The credit facility was secured by certain of our self-storage facilities and required that we maintain a minimum borrowing base of properties. As of December 31, 2005, we had no outstanding balance under our revolving credit facility.

- *Term Loan Agreement.* In February 2006, we and our operating partnership entered into a 60-day, unsecured $30 million term loan agreement with Wachovia Bank, National Association as the lender. The term loan bore interest at a variable rate of LIBOR plus 175 basis points. The loan proceeds were used to finance a portion of the Sure Save Portfolio. The loan was paid in full from proceeds obtained upon entering into a new revolving credit facility in February 2006.

- *Revolving Credit Facility.* In February 2006, we and our operating partnership entered into a three-year $250.0 million unsecured revolving credit facility with Wachovia Bank, National Association, replacing our $150.0 million secured revolving facility. The revolving credit facility was scheduled to terminate in February 2009, but we replaced it with a new revolving credit facility in November 2006 as described below. The terms of the revolving credit facility allowed us to increase the amount that may be borrowed up to $350.0 million at a later date, if necessary. The facility required that we satisfy certain financial coverage ratios and operating covenants, including a maximum leverage ratio and a minimum interest coverage ratio. Borrowings under the facility bore interest, at the Company s option, at either an alternate base rate or a Eurodollar rate, in each case plus an applicable margin. The alternative base interest rate was a fluctuating rate equal to the higher of the prime rate or the sum of the federal funds effective rate plus 50 basis points. The applicable margin for the alternative base rate varied from 0.15% to 0.60% depending on the Company s leverage ratio. The Eurodollar rate was a periodic fixed rate equal to LIBOR. The applicable margin for the Eurodollar rate varied from 1.15% to 1.60% based on the Company s leverage ratio.

- *Term Loan Agreement.* In November 2006, we and our operating partnership entered into a 30-day, unsecured $50 million term loan agreement with Wachovia Bank, National Association as the lender. The term loan bears interest at a variable rate of LIBOR plus 115 basis points. The loan proceeds, along with borrowings under our revolving credit facility, were used to finance the repayment of maturing secured loans. The loan was paid in full from proceeds obtained upon entering into a new revolving credit facility in November 2006.

- *Revolving Credit Facility.* In November 2006, we and our operating partnership entered into a new three-year $450.0 million unsecured credit facility with Wachovia Capital Markets, LLC and Keybanc Capital Markets, replacing our existing $250.0 million unsecured revolving facility. The facility consists of a $200 million term loan and a $250 million revolving credit facility. The new facility has a three-year term with a one-year extension option and scheduled termination in November 2009. Borrowings under the credit facility bear interest, at our option, at either an alternative base rate or a Eurodollar rate, in each case, plus an applicable margin based on our leverage ratio or our credit rating. The alternative base interest rate is a fluctuating rate equal to the higher of the prime rate or the sum of the federal funds effective rate plus 50 basis points. The applicable margin for the alternative base rate will vary from 0.00% to 0.50% depending on our leverage ratio prior to achieving an investment grade rating, and will vary from 0.00% to 0.25% depending on our credit rating after achieving an investment grade rating. The Eurodollar rate is a rate of interest that is fixed for interest periods of one, two, three or six months based on the LIBOR rate determined two business days prior to the commencement of the applicable interest period. The applicable margin for the Eurodollar rate will vary from 1.00% to 1.50% depending on our leverage ratio prior to achieving an investment grade rating, and will vary from

0.425% to 1.00% depending on our credit rating after achieving an investment grade rating. At December 31, 2007, borrowings under the unsecured credit facility had a weighted average interest rate of 6.06%.

- *Secured Term Loan.* In September 2007, we and our Operating Partnership entered into a secured term loan agreement that allows for term loans in the aggregate principal amount of up to $50 million. Each term loan matures on November 20, 2009, subject to extension in the sole discretion of the lenders. Each term loan bears interest at either an alternative base rate or a Eurodollar rate, at our option, in each case plus an applicable margin at terms identical to the unsecured revolving credit facility. As of December 31, 2007, there was one term loan outstanding for $47.4 million. The outstanding term loan is secured by a pledge by our Operating Partnership of all equity interests in YSI RT LLC, the wholly-owned subsidiary of the Operating Partnership that acquired eight self-storage facilities in September 2007. At December 31, 2007, the outstanding term loan had an interest rate of 6.18%.

Capital Markets Activity

In October 2005, we completed a follow-on public offering, pursuant to which we sold an aggregate of 19,665,000 common shares (including 2,565,000 shares pursuant to the exercise of the underwriters   option) at an offering price of $20.35 per share, for gross proceeds of $400.2 million. The offering resulted in net proceeds to the Company, after deducting underwriting discount and commissions and expenses of the offering, of approximately $378.7 million.

Business Strategy

Our business strategy consists of several elements:

- **Maximize cash flow from our facilities**   Our operating strategy focuses on achieving the highest sustainable rent levels at each of our facilities while at the same time meeting and sustaining occupancy targets. We utilize our operating systems and experienced personnel to manage the balance between rental rates, discounts, and physical occupancy with an objective of maximizing our rental revenue.

- **Acquire facilities within our targeted markets**   We will continue to selectively acquire facilities in markets that we believe have high barriers to entry, strong demographic fundamentals and existing supply at or below the demand in the market. 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. We intend to acquire facilities primarily in areas that we consider to be growth markets, such as Arizona, California, Florida and the Northeastern United States.

- **Utilize our expertise in selective new developments** We seek 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 expect to pursue our development primarily in conjunction with joint venture partners.

Investment and Market Selection Process

We maintain a disciplined and focused process in the acquisition and development of self-storage facilities. Our investment committee, which consists of certain of our executive officers and is led by Dean Jernigan, our President and Chief Executive Officer, oversees 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, such as Arizona, California, Florida 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.

- **Growth potential** We target acquisitions that offer growth potential through increased operating efficiency and, in some cases, through additional leasing efforts, renovations or expansions. In addition to acquiring single facilities, we 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.

From the completion of our IPO through December 31, 2007, we acquired 269 facilities totaling approximately 16.9 million rentable square feet for consideration of approximately $1.3 billion. We believe that the self-storage industry will continue to provide us with opportunities for future growth through consolidation due to the highly-fragmented composition of the industry.

Operating Segment

We have one reportable operating segment: we own, operate, develop, and acquire self-storage facilities.

Concentration

Our self-storage facilities are located in major metropolitan areas as well as rural areas and have numerous tenants per facility. No single tenant represents 1% or more of our revenues. The facilities in Florida, California, Texas and Illinois provided approximately 19%, 15%, 8% and 7% of total revenues, respectively, for the year ended December 31, 2007. Florida, California, Illinois and New Jersey provided total revenues of approximately 19%, 16%, 7% and 6%, respectively, for the year ended December 31, 2006.

Seasonality

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.

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 debt service and make distributions to our shareholders. As of December 31, 2007, our debt to total capitalization ratio, determined by dividing the carrying 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 carrying value of our total indebtedness, was approximately 64.1%. 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.

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 local and regional operators as well as the other public self-storage REITS, including Public Storage, 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 have, 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 should enable us to compete effectively.

Government Regulation

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 without our knowledge or approval and in violation of the customer s storage lease agreement with us.

Our practice is to conduct or obtain environmental assessments in connection with 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 our facilities, nor have we been notified of a claim for personal injury or property damage by a private party in connection with any of our facilities relating to environmental conditions.

We are not aware of any environmental condition with respect to any of our 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 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 terrorist activities, hurricanes, 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.

Offices

Our principal executive office is located at 50 Public Square, Suite 2800, Cleveland, OH 44113. Our telephone number is (216) 274-1340. We believe that our current facilities are adequate for our present and future operations.

Employees

As of December 31, 2007, we employed approximately 989 employees, of whom approximately 112 were corporate executive and administrative personnel and approximately 877 were property level personnel. We believe that our relations with our employees are good. None of our employees are unionized.

Available Information

We file our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports with the Securities and Exchange Commission (the SEC). You may obtain copies of these documents by visiting the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549, by calling the SEC at 1-800-SEC-0330 or by accessing the SEC s website at www.sec.gov. Our internet website address is www.ustoreit.com. You also can obtain on our website, free of charge, a copy of our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file such reports or amendments with, or furnish them to, the SEC. Our internet website and the information contained therein or connected thereto are not intended to be incorporated by reference into this Annual Report on Form 10-K.

Also available on our website, free of charge, are copies of our Code of Business Conduct and Ethics, our Corporate Governance Guidelines, and the charters for each of the committees of our Board of Trustees the Audit Committee, the Corporate Governance and Nominating Committee, and the Compensation Committee. Copies of each of these documents are also available in print free of charge, upon request by any shareholder. You can obtain copies of these documents by contacting Investor Relations by mail at 460 E. Swedesford Road, Suite 3000, Wayne, PA 19087.

ITEM 1A. ***RISK FACTORS***

Overview

Investors should carefully consider, among other factors, the risks set forth below. 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.

Our performance and the value of our self-storage facilities are subject to risks associated with our properties and with the real estate industry.

Our rental revenues and operating costs and the value of our real estate assets, and consequently the value of our securities, are subject to the risk that if our facilities do not generate revenues sufficient to meet our operating expenses, including debt service and capital expenditures, our cash flow and ability to pay distributions to our shareholders will be adversely affected. Events or conditions beyond our control that may adversely affect our operations or the value of our facilities include:

- downturns in the national, regional and local economic climate;
- local or regional oversupply, increased competition or reduction in demand for self-storage space;
- vacancies, changes in market rents for self-storage space;
- inability to collect rent from customers;
- increased operating costs, including maintenance, insurance premiums and real estate taxes;
- changes in interest rates and availability of financing;

- hurricanes, earthquakes and other natural disasters, civil disturbances, terrorist acts or acts of war that may result in uninsured or underinsured losses;

- significant expenditures associated with acquisitions and development projects, such as debt service payments, real estate taxes, insurance and maintenance costs which are generally not reduced when circumstances cause a reduction in revenues from a property;

- 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.

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 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 our shareholders.

We face risks associated with actions taken by our competitors.

Actions by our competitors may decrease or prevent increases of the occupancy and rental rates of our properties. We compete with other owners and operators of self-storage, some of which own properties similar to ours in the same submarkets in which our properties are located. If our competitors offer space at rental rates below current market rates or below the rental rates we currently charge our tenants, we may lose potential tenants, and we may be pressured to reduce our rental rates below those we currently charge in order to retain tenants when our tenants leases expire. As a result, our financial condition, cash flow, cash available for distribution, market price of our stock and ability to satisfy our debt service obligations could be materially adversely affected.

We face risks related to balloon payments.

Approximately 50% (or approximately $573.5 million) of our mortgage and revolving indebtedness is due on or before December 31, 2009. Certain of our mortgages will have significant outstanding balances on their maturity dates, commonly known as balloon payments. There can be no assurance that we will be able to refinance the debt on favorable terms or at all. To the extent we cannot refinance debt on favorable terms or at all, we may be forced to dispose of properties on disadvantageous terms or pay higher interest rates, either of which would have an adverse impact on our financial performance and ability to pay dividends to investors.

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. Our facilities are subject to increases in operating expenses such as real estate and other taxes, utilities, insurance, administrative expenses and costs for repairs and maintenance. If operating expenses increase without a corresponding increase in revenues, our profitability could diminish and limit our ability to make distributions to our shareholders.

We face risks associated with facility acquisitions that could impede our growth.

We have in the past acquired, and intend in the future to acquire, individual and portfolios of self-storage facilities that would increase our size and potentially alter our capital structure. Although we believe that the acquisitions that we expect to undertake in the future will enhance our future financial performance, the success of such transactions is subject to a number of factors, including the risk that:

- we may not be able to obtain financing for acquisitions on favorable terms;
- acquisitions may fail to perform as expected;
- the actual costs of repositioning or redeveloping acquired facilities may be higher than our estimates; and
- acquisitions may be located in new markets where we may have limited knowledge and understanding of the local economy, an absence of business relationships in the area or an unfamiliarity with local governmental and permitting procedures.

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.

Financing our future growth plan or refinancing existing debt maturities could be impacted by negative capital market conditions.

Recently, domestic financial markets have experienced unusual volatility and uncertainty. While this condition has occurred most visibly within the subprime mortgage lending sector of the credit market, liquidity has tightened in overall domestic financial markets, including the investment grade debt and equity capital markets. Consequently, there is greater uncertainty regarding our ability to access the credit markets in order to attract financing on reasonable terms nor can there be any assurance we can issue common or preferred equity securities at a reasonable price. Our ability to finance new acquisitions as well as our ability to refinance debt maturities could be adversely affected by our inability to secure permanent financing on reasonable terms, if at all.

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

From the completion of our IPO in October 2004 through December 31, 2007, we acquired 269 facilities, containing approximately 15.6 million rentable square feet for an aggregate cost of approximately $1.3 billion. In 2008 we acquired two additional self-storage facilities. 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 risks. 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.

Acquired facilities may subject us to unknown liabilities.

Facilities that we have acquired or may acquire in the future may be subject to unknown liabilities for which we would have no recourse, or only limited recourse, to the former owners of such facilities. As a result, if a liability were asserted against us based upon ownership of an acquired facility, we might be required to pay significant sums to settle it, which could adversely affect our financial results and cash flow. Unknown liabilities relating to acquired facilities could include:

- liabilities for clean-up of undisclosed environmental contamination;
- claims by tenants, vendors or other persons arising on account of actions or omissions of the former owners of the facilities; and
- liabilities incurred in the ordinary course of business.

We face significant competition from other developers, owners and operators in the self-storage industry.

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 relatively 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 our shareholders. 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.

Property ownership through joint ventures may limit our ability to act exclusively in our interest.

We may 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.

Because real estate is illiquid, we may not be able to sell properties when appropriate.

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.

We face system security risks as we depend upon automated processes and the Internet.

We are increasingly dependent upon automated information technology processes. While we attempt to mitigate this risk through offsite backup procedures and contracted data centers that include, in some cases, redundant operations, we could still be severely impacted by a catastrophic occurrence, such as a natural disaster or a terrorist attack. In addition, an increasing portion of our business operations are conducted over the Internet, increasing the risk of viruses that could cause system failures and disruptions of operations despite our deployment of anti-virus measures. Experienced computer programmers may be able to penetrate our network security and misappropriate our confidential information, create system disruptions or cause shutdowns.

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, hurricanes, 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.

Terrorist attacks and other acts of violence or war may adversely impact our performance and may affect the markets on which our securities are traded.

Terrorist attacks against our facilities, the United States or our interests, may negatively impact our operations and the value of our securities. Attacks or armed conflicts could negatively impact the demand for self-storage facilities and increase the cost of insurance coverage for our facilities, which could reduce our profitability and cash flow. Furthermore, any terrorist attacks or armed conflicts could result in increased volatility in or damage to the United States and worldwide financial markets and economy.

Potential liability for environmental contamination could result in substantial costs.

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.

Our practice is to conduct or obtain environmental assessments in connection with the acquisition or development of additional facilities. We obtain or examine environmental assessments 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.

Americans with Disabilities Act compliance may require unanticipated expenditures.

Under the Americans with Disabilities Act of 1990 (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 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.

The terms and covenants relating to our indebtedness could adversely impact our economic performance.

Like other real estate companies that incur debt, we are subject to risks associated with debt financing, such as the insufficiency of cash flow to meet required debt service payment obligations and the inability to refinance existing indebtedness. If our debt cannot be paid, refinanced or extended at maturity, we may not be able to make distributions to shareholders at expected levels or at all and may not be able to acquire new properties. Failure to make distributions to our shareholders could result in our failure to qualify as a REIT for federal income tax purposes. Furthermore, an increase in our interest expense could adversely affect our cash flow and ability to make distributions to shareholders. If we do not meet our debt service obligations, any facilities securing such indebtedness could be foreclosed on, which would have a material adverse effect on our cash flow and ability to make distributions and, depending on the number of facilities foreclosed on, could threaten our continued viability.

Our unsecured credit facility and unsecured term loan each contain (and any new or amended facility will likely contain) customary restrictions, requirements and other limitations on our ability to incur indebtedness, including total debt to asset ratios, secured debt to total asset ratios, debt service coverage ratios and minimum ratios of unencumbered assets to unsecured debt which we must maintain. Our ability to borrow under our credit facility is (and any new or amended facility will be) subject to compliance with such financial and other covenants. In the event that we fail to satisfy these covenants, we would be in default under the credit facility and term loan and may be required to repay such debt with capital from other sources. Under such circumstances, other sources of debt or equity capital may not be available to us, or may be available only on unattractive terms.

Increases in interest rates on variable rate indebtedness would increase our interest expense, which could adversely affect our cash flow and ability to make distributions to shareholders. Rising interest rates could also restrict our ability to refinance existing debt when it matures. In addition, an increase in interest rates could decrease the amounts that third parties are willing to pay for our assets, thereby limiting our ability to alter our portfolio promptly in relation to economic or other conditions. We have entered into and may, from time to time, enter into agreements such as interest rate hedges, swaps, floors, caps and other interest rate hedging contracts with respect to a portion of our variable rate debt. Although these agreements may lessen the impact of rising interest rates on us, they also expose us to the risk that other parties to the agreements will not perform or that we cannot enforce the agreements.

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.

Our ability to make distributions is subject to various risks.

Historically, we have paid quarterly distributions to our shareholders. Our ability to make distributions in the future will depend upon:

- the operational and financial performance of our facilities;
- capital expenditures with respect to existing and newly acquired facilities;
- general and administrative costs associated with our operation as a publicly-held REIT;
- the amount of, and the interest rates on, our debt; and
- the absence of significant expenditures relating to environmental and other regulatory matters.

Certain of these matters are beyond our control and any significant difference between our expectations and actual results could have a material adverse effect on our cash flow and our ability to make distributions to 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.

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 or pay applicable income taxes. 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.

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 income 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 operate our business to qualify to be taxed as a REIT for federal income tax purposes. 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 Annual Report on Form 10-K are not binding on the IRS or any court. As a REIT, we generally will not be subject to federal income tax on the 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. If we fail to qualify as a REIT for federal income tax purposes and are able to avail ourselves of one or more of the statutory savings provisions in order to maintain our REIT status, we would nevertheless be required to pay penalty taxes of $50,000 or more for each such failure.

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 Internal Revenue 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.

As a REIT, we are subject to certain distribution requirements, including the requirement to distribute 90% of our REIT taxable income that may result in our having to make distributions at disadvantageous time or to borrow funds at unfavorable rates. Compliance with this requirement may hinder our ability to operate solely on the basis of maximizing profits.

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. Additionally, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which dividends paid by us in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. 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.

We cannot assure you of our ability to pay dividends in the future.

We intend to pay quarterly dividends and to make distributions to our shareholders in amounts such that all or substantially all of our taxable income in each year, subject to certain adjustments, is distributed. This, along with other factors, should enable us to qualify for the tax benefits accorded to a REIT under the Internal Revenue Code. We have not established a minimum dividends payment level and our ability to pay dividends may be adversely affected by the risk factors described in this Annual Report on Form 10-K. All distributions will be made at the discretion of our Board of Trustees and will depend on our earnings, our financial condition, maintenance of our REIT status and such other factors as our Board of Trustees may deem relevant from time to time. We cannot assure you that we will be able to pay dividends in the future.

We are dependent upon our key personnel whose continued service is not guaranteed.

Our top executives, Dean Jernigan, Christopher Marr, Kathleen Weigand, Stephen Nichols and Timothy Martin, have extensive self-storage, real estate and public company experience. Although we have employment agreements with all of the 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 Dean Jernigan, our President and Chief Executive Officer, could adversely affect our operations and our future growth.

We are dependent upon our on-site personnel to maximize customer satisfaction; any difficulties we encounter in hiring, training and retaining skilled field personnel may adversely affect our rental revenues.

As of December 31, 2007, we had approximately 880 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. We compete with various other companies in attracting and retaining qualified and skilled personnel. Competitive pressures may require that we enhance our pay and benefits package to compete effectively for such personnel. If there is an increase in these costs or if we fail to attract and retain qualified and skilled personnel, our business and operating results could be harmed.

Our insurance coverage may not comply fully with certain loan requirements.

We maintain comprehensive insurance on each of our self-storage facilities in amounts sufficient to permit replacement of the property, subject to applicable deductibles. Certain of our properties serve as collateral for our mortgage-backed debt, some of which was assumed in connection with our acquisition of facilities, that requires us to maintain insurance at levels and on terms that are not commercially reasonable in the current insurance environment. We may be unable to obtain required insurance coverage if the cost and/or availability make it impractical or impossible to comply with debt covenants. If we cannot comply with a lender s requirements in any respect, the lender could declare a default that could affect our ability to obtain future financing and could have a material adverse effect on our results of operations and cash flows and our ability to obtain future financing. In addition, we may be required to self-insure against certain losses or the Company s insurance costs may increase.

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.

Robert J. Amsdell, our former Chairman and Chief Executive Officer; Barry L. Amsdell, a former Trustee; Todd C. Amsdell, our former Chief Operating Officer and former President of our development subsidiary; and the Amsdell Entities (collectively, The Amsdell Family) collectively own an approximate 23.3% beneficial interest in our company on a fully diluted basis and therefore have the ability to exercise significant influence on any matter presented to our shareholders.

The Amsdell Family collectively owns approximately 21.3% of our outstanding common shares, and an approximate 23.3% beneficial interest in our company on a fully diluted basis. Consequently, the Amsdell Family 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. 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 and Barry L. Amsdell have interests, through their ownership of limited partner units in our operating partnership that may conflict with the interests of our other shareholders.

Robert J. Amsdell and Barry L. Amsdell 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.

Our shareholders have limited control to prevent us from making any changes to our investment and financing policies.

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.

Maryland law provides that a trustee 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 our shareholders ability to recover damages from that Trustee or officer will be limited.

Many factors could have an adverse effect on the market value of our securities.

A number of factors might adversely affect the price of our securities, many of which are beyond our control. These factors include:

- increases in market interest rates, relative to the dividend yield on our shares. If market interest rates go up, prospective purchasers of our securities may require a higher yield. Higher market interest rates would not, however, result in more funds for us to distribute and, to the contrary, would likely increase our borrowing costs and potentially decrease funds available for distribution. Thus, higher market interest rates could cause the market price of our common shares to go down;

- anticipated benefit of an investment in our securities as compared to investment in securities of companies in other industries (including benefits associated with tax treatment of dividends and distributions);

- perception by market professionals of REITs generally and REITs comparable to us in particular;

- level of institutional investor interest in our securities;

- relatively low trading volumes in securities of REITs;

- our results of operations and financial condition;
- investor confidence in the stock market generally; and
- additions and departures of key personnel.

The market value of our common shares is based primarily upon the market s perception of our growth potential and our current and potential future earnings and cash distributions. Consequently, our common shares may trade at prices that are higher or lower than our net asset value per common share. If our future earnings or cash distributions are less than expected, it is likely that the market price of our common shares will diminish.

Additional issuances of equity securities may be dilutive to shareholders.

The interests of our shareholders could be diluted if we issue additional equity securities to finance future developments or acquisitions or to repay indebtedness. Our Board of Trustees may authorize the issuance of additional equity securities without shareholder approval. Our ability to execute our business strategy depends upon our access to an appropriate blend of debt financing, including unsecured lines of credit and other forms of secured and unsecured debt, and equity financing, including the issuance of common and preferred equity.

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.

The acquisition of new facilities that lack operating history with us will give rise to difficulties in predicting revenue potential.

We will continue to acquire additional facilities. These acquisitions could fail to perform in accordance with expectations. If we fail to accurately estimate occupancy levels, operating costs or costs of improvements to bring an acquired facility up to the standards established for our intended market position, the performance of the facility may be below expectations. Acquired facilities may have characteristics or deficiencies affecting their valuation or revenue potential that we have not yet discovered. We cannot assure you that the performance of facilities acquired by us will increase or be maintained under our management.

Our financial performance is dependent upon the economic and other conditions of the markets in which our facilities are located.

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, Texas, Ohio, Tennessee, Illinois and Arizona accounted for approximately 16%, 16%, 10%, 8%, 7%, 6% and 5%, respectively, of our total rentable square feet as of December 31, 2007. As a result of this geographic concentration of our facilities, we are particularly susceptible to adverse market conditions in these 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 our shareholders.

Our business may be sensitive to economic conditions that impact consumer spending.

Our results of operations may be sensitive to changes in overall economic conditions that impact consumer spending, including discretionary spending. Future economic conditions affecting disposable consumer income, such as employment levels, business conditions, interest rates, tax rates, fuel and energy costs, and other matters could reduce consumer spending or cause consumers to shift their spending to other products and services. A general reduction in the level of discretionary spending or shifts in consumer discretionary spending could adversely affect our growth and profitability.

ITEM 1B. ***UNRESOLVED STAFF COMMENTS***

None.

ITEM 2. ***PROPERTIES***

Overview

As of December 31, 2007, we owned 409 self-storage facilities located in 26 states and aggregating approximately 26.1 million rentable square feet. The following table sets forth certain summary information regarding our facilities by state as of December 31, 2007.

State	Number of Facilities	Number of Units	Total Rentable Square Feet	% of Total Rentable Square Feet	Occupied Square Feet
California	60	37,018	4,133,441	15.8%	69.7%
Florida	59	39,973	4,173,724	16.0%	80.2%
Texas	43	21,003	2,627,795	10.1%	81.1%
Ohio	35	16,364	1,999,099	7.7%	79.9%
Illinois	27	14,020	1,610,610	6.2%	79.9%
Arizona	24	12,526	1,247,447	4.8%	84.0%
Tennessee	24	12,930	1,686,433	6.3%	82.5%
Colorado	20	10,389	1,200,834	4.6%	87.9%
Connecticut	17	7,255	845,781	3.2%	76.5%
New Jersey	15	10,266	1,003,586	3.8%	75.0%
Georgia	13	9,245	1,060,144	4.1%	76.8%
New Mexico	11	4,247	459,020	1.8%	89.6%
Indiana	9	5,302	599,457	2.3%	80.4%
North Carolina	8	4,810	557,459	2.1%	86.5%
Mississippi	6	2,824	353,431	1.4%	82.5%
New York	6	3,208	349,453	1.3%	83.8%
Louisiana	5	2,358	304,555	1.2%	93.2%
Maryland	5	4,232	517,895	2.0%	86.5%
Utah	5	2,336	241,823	0.9%	93.8%
Michigan	4	1,888	270,769	1.0%	78.6%
Alabama	3	1,632	237,583	0.9%	81.5%
Massachusetts	3	1,776	172,928	0.7%	74.7%
Nevada	2	940	99,882	0.4%	83.0%

Pennsylvania	2	1,609	176,577	0.7%	79.0%
Virginia	2	1,214	130,943	0.5%	59.8%
Wisconsin	1	486	58,515	0.2%	84.1%
Total/Weighted Average	**409**	**229,851**	**26,119,184**	**100.0%**	**79.5%**

Our Facilities

The following table sets forth certain additional information with respect to each of our facilities as of December 31, 2007. 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 five of our other facilities are subject to ground leases.

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	65,198	91.1%	468	N	0.0%
Mobile II, AL	1997	1974/90	129,260	73.2%	801	Y	1.1%
Mobile III, AL	1998	1988/94	43,125	91.9%	363	Y	34.5%
Chandler, AZ	2005	1985	47,520	93.8%	466	Y	6.9%
Glendale, AZ	1998	1987	56,830	81.3%	554	Y	0.0%
Green Valley, AZ	2005	1985	25,200	67.8%	277	N	7.9%
Mesa I, AZ	2006	1985	52,375	91.1%	535	N	0.0%
Mesa II, AZ	2006	1981	45,295	85.4%	420	Y	8.4%
Mesa III, AZ	2006	1986	58,264	78.3%	514	Y	4.1%
Phoenix I, AZ	2006	1987	100,887	76.5%	822	Y	8.8%
Phoenix II, AZ	2006	1974	45,270	75.8%	440	Y	0.0%
Scottsdale, AZ	1998	1995	80,925	90.3%	692	Y	9.5%
Tempe, AZ	2005	1975	54,000	84.1%	410	Y	14.0%
Tucson I, AZ	1998	1974	59,350	87.7%	505	Y	0.0%
Tucson II, AZ	1998	1988	43,950	84.7%	543	Y	100.0%
Tucson III, AZ	2005	1979	49,822	78.2%	535	N	0.0%
Tucson IV, AZ	2005	1982	47,840	88.5%	524	Y	3.7%
Tucson IX, AZ	2005	1984	67,656	81.7%	653	Y	2.0%
Tucson V, AZ	2005	1982	45,160	82.8%	452	Y	3.0%
Tucson VI, AZ	2005	1982	40,778	89.3%	451	Y	3.5%
Tucson VII, AZ	2005	1982	52,738	85.4%	637	Y	2.0%
Tucson VIII, AZ	2005	1979	46,800	83.9%	504	Y	0.0%
Tucson X, AZ	2005	1981	46,350	84.6%	491	N	0.0%
Tucson XI, AZ	2005	1974	42,800	82.0%	465	Y	0.0%
Tucson XII, AZ	2005	1974	42,375	87.7%	474	Y	4.8%
Tucson XIII, AZ	2005	1974	45,792	90.0%	583	Y	0.0%
Tucson XIV, AZ	2005	1976	49,470	84.0%	579	Y	8.8%
Apple Valley I, CA	1997	1984	73,340	48.3%	594	Y	0.0%
Apple Valley II, CA	1997	1988	62,115	62.9%	495	Y	7.0%
Benicia, CA	2005	1988/93/05	74,920	82.9%	762	Y	0.0%
Bloomington I, CA	1997	1987	28,550	65.8%	218	N	0.0%
Bloomington II, CA	1997	1987	25,860	97.1%	20	N	0.0%
Cathedral City, CA	2006	1982/92	129,048	54.3%	1029	Y	1.9%
Citrus Heights, CA	2005	1987	75,620	62.0%	693	Y	0.0%
Diamond Bar, CA	2005	1988	103,228	81.7%	918	Y	0.0%
Escondido, CA	2007	2002	143,145	77.2%	1296	Y	6.7%
Fallbrook, CA	1997	1985/88	46,370	82.8%	461	Y	0.0%
Hemet, CA	1997	1989	66,040	76.1%	445	Y	0.0%
Highland I, CA	1997	1987	76,765	58.0%	860	Y	0.0%
Highland II, CA	2006	1982	62,257	70.1%	536	Y	0.0%
Lancaster, CA	2001	1987	61,275	53.1%	414	Y	0.0%
Long Beach, CA	2006	1974	125,213	76.5%	1424	Y	0.0%
Murrieta, CA	2005	1996	49,895	68.0%	474	Y	3.3%
North Highlands, CA	2005	1980	57,244	89.6%	481	Y	0.0%
Orangevale, CA	2005	1980	50,492	79.4%	556	Y	0.0%
Palm Springs I, CA	2006	1989	72,775	68.0%	582	Y	8.6%
Palm Springs II, CA	2006	1982/89	122,745	57.8%	634	Y	0.0%
Pleasanton, CA	2005	2003	82,415	86.0%	718	Y	0.0%
Rancho Cordova, CA	2005	1979	53,928	79.0%	484	Y	0.0%
Redlands, CA	1997	1985	62,805	80.0%	548	N	0.0%
Rialto, CA	1997	1987	57,371	64.5%	519	Y	0.0%
Rialto II, CA	2006	1980	99,393	67.2%	779	Y	0.0%
Riverside I, CA	1997	1989	27,485	76.4%	238	N	0.0%
Riverside II, CA	1997	1989	20,420	91.6%	18	N	0.0%
Riverside III, CA	1998	1989	46,809	70.9%	442	Y	0.0%
Riverside IV, CA	2006	1977	67,320	60.5%	715	Y	4.0%
Riverside V, CA	2006	1985	85,521	58.1%	834	Y	12.7%

Riverside VI, CA	2007	2004	74,900	67.6%	466	Y	0.0%
Roseville, CA	2005	1979	59,944	87.6%	582	Y	0.0%
Sacramento I, CA	2005	1979	50,764	88.0%	536	Y	0.0%
Sacramento II, CA	2005	1986	61,890	72.8%	583	Y	4.7%
San Bernardino I, CA	1997	1985	47,350	63.2%	460	Y	2.0%
San Bernardino II, CA	1997	1987	83,278	60.5%	609	Y	0.0%
San Bernardino III, CA	1997	1987	31,070	74.8%	259	N	0.0%
San Bernardino IV, CA	1997	1989	57,245	68.7%	597	Y	0.0%
San Bernardino IX, CA	2006	1975	117,928	44.8%	1076	Y	0.0%
San Bernardino V, CA	1997	1991	41,646	72.7%	406	Y	0.0%
San Bernardino VI, CA	1997	1985/92	35,671	76.0%	405	N	11.8%
San Bernardino VII, CA	2005	2002/04	83,507	77.9%	776	Y	4.2%
San Bernardino VIII, CA	2006	1974	56,820	56.9%	507	Y	1.3%
San Bernardino X, CA	2006	1978	78,839	66.1%	669	Y	0.0%
San Bernardino XI, CA	2006	1977	112,154	58.0%	1037	Y	0.0%
San Marcos, CA	2005	1979	37,430	91.8%	247	Y	0.0%

Facility Location	Year Acquired/ Developed (1)	Year Built	Rentable Square Feet	Occupancy (2)	Units	Manager Apartment (3)	% Climate Controlled (4)
Santa Ana, CA	2006	1984	65,528	72.5%	742	Y	2.4%
South Sacramento, CA	2005	1979	52,290	60.5%	434	Y	0.0%
South Palmetto, CA	1998	1982	80,505	70.1%	820	Y	0.0%
Spring Valley, CA	2006	1980	55,070	57.9%	718	Y	0.0%
Sun City, CA	1998	1989	38,435	70.1%	383	N	0.0%
Temecula I, CA	1998	1985/2003	81,740	80.0%	716	Y	46.4%
Temecula II, CA	2006	2003	84,580	42.0%	723	Y	51.3%
Thousand Palms, CA	2006	1988/01	76,336	52.0%	896	Y	60.7%
Vista I, CA	2001	1988	74,405	90.4%	621	Y	0.0%
Vista II, CA	2005	2001/02/03	147,721	78.4%	1293	Y	2.3%
Walnut, CA	2005	1987	50,708	85.6%	539	Y	9.2%
West Sacramento, CA	2005	1984	39,715	88.2%	488	Y	0.0%
Westminster, CA	2005	1983/98	68,048	93.2%	572	Y	0.0%
Yucaipa, CA	1997	1989	77,560	69.4%	671	Y	0.0%
Aurora I, CO	2005	1981	75,867	81.5%	623	Y	0.0%
Aurora II, CO	2005	1984	57,753	89.6%	475	Y	5.3%
Aurora III, CO	2005	1977	28,730	91.4%	311	Y	0.0%
Aurora IV, CO	2006	1998/99	49,700	87.3%	352	Y	0.0%
Avon, CO	2005	1989	28,227	91.5%	387	Y	22.7%
Boulder I, CO	2006	1972/75/77	47,296	88.8%	531	Y	0.0%
Boulder II, CO	2006	1983/84	101,245	90.9%	1093	Y	0.0%
Boulder III, CO	2006	1974/78	80,174	82.9%	781	Y	0.0%
Boulder IV, CO	2006	1983/98	95,148	94.0%	715	Y	7.1%
Colorado Springs, CO	2005	1986	47,975	87.3%	474	Y	0.0%
Colorado Springs II, CO	2006	2001	62,400	91.5%	433	Y	0.0%
Denver I, CO	2005	1987	58,050	79.1%	431	Y	4.4%
Denver II, CO	2006	1997	59,200	86.7%	451	Y	0.0%
Denver III, CO	2006	1999	63,700	81.9%	454	Y	0.0%
Englewood, CO	2005	1981	51,000	87.9%	366	Y	0.0%
Federal Heights, CO	2005	1980	54,770	88.2%	554	Y	0.0%
Golden, CO	2005	1985	87,832	90.7%	645	Y	1.2%
Littleton I , CO	2005	1987	53,490	89.0%	452	Y	37.4%
Littleton II, CO	2005	1982	46,175	90.4%	363	Y	0.0%
Northglenn, CO	2005	1980	52,102	87.4%	498	Y	0.0%
Bloomfield, CT	1997	1987/93/94	48,700	63.9%	450	Y	6.6%
Branford, CT	1995	1986	49,079	91.3%	433	Y	2.2%
Bristol, CT	2005	1989/99	47,825	83.4%	479	N	22.6%
East Windsor, CT	2005	1986/89	45,900	68.7%	309	N	0.0%
Enfield, CT	2001	1989	52,775	84.5%	381	Y	0.0%
Gales Ferry, CT	1995	1987/89	54,230	70.6%	599	N	7.5%
Manchester I, CT (6)	2002	1999/00/01	47,125	65.1%	491	N	37.6%
Manchester II, CT	2005	1984	52,725	72.5%	411	N	0.0%
Milford, CT	1994	1975	44,885	76.0%	384	Y	4.0%
Monroe, CT	2005	1996/03	58,500	87.7%	405	N	0.0%
Mystic, CT	1994	1975/86	50,800	67.0%	538	Y	2.4%
Newington I, CT	2005	1978/97	42,620	75.1%	258	N	0.0%
Newington II, CT	2005	1979/81	35,810	88.1%	213	N	0.0%
Old Saybrook I, CT	2005	1982/88/00	87,700	76.5%	723	N	6.3%
Old Saybrook II, CT	2005	1988/02	26,425	84.4%	257	N	55.3%
South Windsor, CT	1994	1976	71,725	66.4%	557	Y	1.1%
Stamford, CT	2005	1997	28,957	95.1%	367	N	32.8%
Boca Raton, FL	2001	1998	37,958	90.9%	605	N	68.2%
Boynton Beach I, FL	2001	1999	62,013	87.4%	812	Y	54.2%
Boynton Beach II, FL	2005	2001	61,841	79.2%	601	Y	81.3%
Bradenton I, FL	2004	1979	68,502	53.8%	659	N	2.8%
Bradenton II, FL	2004	1996	87,760	80.4%	881	Y	40.0%
Cape Coral, FL	2000*	2000	76,592	83.8%	883	Y	83.5%

Dania, FL	1994	1988	58,270	98.4%	498	Y	26.9%
Dania Beach, FL (6)	2004	1984	183,393	82.5%	2011	N	20.7%
Davie, FL	2001*	2001	81,035	85.9%	853	Y	55.7%
Deerfield Beach, FL	1998*	1998	57,600	80.6%	526	Y	39.2%
DeLand, FL	1998	1987	37,552	87.1%	401	Y	34.5%
Delray Beach, FL	2001	1999	67,809	90.6%	821	Y	39.3%
Fernandina Beach, FL	1996	1986	111,030	74.7%	897	Y	35.7%
Ft. Lauderdale, FL	1999	1999	70,596	90.9%	703	Y	46.5%
Ft. Myers, FL	1998	1998	67,546	78.3%	610	Y	67.0%
Gulf Breeze, FL	2005	1982/04	79,449	91.8%	700	N	62.7%
Jacksonville I, FL	2005	2005	80,401	60.1%	753	N	100.0%
Jacksonville II, FL	2007	2004	65,020	86.0%	688	N	100.0%
Jacksonville III, FL	2007	2003	65,603	82.5%	723	N	100.0%
Jacksonville IV, FL	2007	2006	78,604	33.9%	756	N	100.0%
Jacksonville V, FL	2007	2004	81,860	73.1%	753	N	82.3%
Kendall, FL	2007	2003	75,395	84.7%	710	N	71.0%

Facility Location	Year Acquired/ Developed (1)	Year Built	Rentable Square Feet	Occupancy (2)	Units	Manager Apartment (3)	% Climate Controlled (4)
Lake Worth, FL	1998	1998/02	163,683	82.0%	1408	Y	36.4%
Lakeland I, FL	1994	1988	48,911	82.2%	484	Y	79.6%
Lakeland II, FL	1996	1984	47,680	81.1%	351	Y	19.0%
Leesburg, FL	1997	1988	59,840	82.4%	484	Y	17.7%
Lutz I, FL	2004	2000	72,495	49.7%	633	Y	34.1%
Lutz II, FL	2004	1999	69,292	70.3%	536	Y	20.6%
Margate I, FL	1994	1979/81	54,405	87.5%	339	N	9.8%
Margate II, FL	1996	1985	65,168	87.3%	437	Y	28.8%
Merrit Island, FL	2000	2000	50,427	86.8%	465	Y	56.8%
Miami I, FL	1995	1995	46,925	89.7%	565	Y	52.2%
Miami II, FL	1994	1987	57,040	73.0%	612	Y	0.0%
Miami III, FL	1994	1989	67,060	85.2%	571	Y	8.0%
Miami IV, FL	1995	1987	58,315	86.1%	614	Y	7.3%
Miami V, FL	1995	1976	78,465	79.2%	344	Y	4.0%
Miami VI, FL	2005	1988/03	150,510	70.8%	1518	N	86.8%
Naples I, FL	1996	1996	48,050	81.1%	351	Y	26.6%
Naples II, FL	1997	1985	65,850	81.1%	671	Y	44.6%
Naples III, FL	1997	1981/83	81,145	67.2%	876	Y	24.3%
Naples IV, FL	1998	1990	40,975	67.8%	458	N	43.4%
Ocala, FL	1994	1988	41,891	86.5%	375	Y	9.8%
Ocoee, FL	2005	1997	76,250	87.7%	652	Y	15.5%
Orange City, FL	2004	2001	59,636	80.5%	669	N	39.2%
Orlando I, FL (6)	1997	1987	52,170	84.9%	515	Y	4.9%
Orlando II, FL	2005	2002/04	62,864	89.9%	592	N	74.1%
Orlando III, FL	2006	1988/90/96	104,165	77.3%	796	Y	6.9%
Oviedo, FL	2006	1988/1991	49,256	80.2%	444	Y	3.2%
Pembroke Pines, FL	1997	1997	67,337	88.8%	718	Y	63.2%
Royal Palm Beach I, FL	1994	1988	98,961	67.7%	692	Y	54.5%
Royal Palm Beach II, FL	2007	2004	81,515	73.5%	817	N	82.3%
Sanford, FL	2006	1988/2006	61,810	90.4%	452	Y	28.6%
Sarasota, FL	1998	1998	70,788	76.0%	554	Y	42.3%
St. Augustine, FL	1996	1985	59,670	78.7%	734	Y	29.9%
Stuart I, FL	1997	1986	41,324	78.7%	542	Y	26.9%
Stuart II, FL	1997	1995	86,924	77.8%	1007	Y	51.4%
SW Ranches, FL	2007	2004	64,955	80.1%	650	N	85.3%
Tampa I, FL	1994	1987	60,700	86.6%	421	Y	0.0%
Tampa II, FL	2001	1985	55,997	84.1%	480	Y	17.1%
Tampa III, FL	2007	2001/2002	83,788	77.7%	807	N	28.4%
Vero Beach, FL	1997	1986/1987	50,390	75.6%	513	N	23.7%
West Palm Beach I, FL	2001	1997	67,973	84.0%	1025	Y	47.2%
West Palm Beach II, FL	2004	1996	93,764	89.4%	890	Y	74.4%
Alpharetta, GA	2001	1996	90,485	76.5%	678	Y	75.1%
Austell , GA	2006	2000	83,615	74.2%	676	Y	65.9%
Decatur, GA	1998	1986	148,480	82.9%	1356	Y	3.1%
Norcross, GA	2001	1997	85,390	80.8%	607	Y	55.3%
Peachtree City, GA	2001	1997	49,845	83.5%	453	N	75.6%
Smyrna, GA	2001	2000	56,820	94.9%	507	Y	100.0%
Snellville, GA	2007	1996/1997	79,950	89.9%	772	Y	27.1%
Suwanee I, GA	2007	2000/2003	85,450	82.8%	633	Y	28.6%
Suwanee II, GA	2007	2005	79,640	62.8%	630	N	60.8%
Addison, IL	2004	1979	31,275	82.4%	370	Y	0.0%
Aurora, IL	2004	1996	73,845	67.7%	563	Y	6.9%
Bartlett, IL	2004	1987	51,525	81.6%	414	Y	33.6%
Bellwood, IL	2001	1999	86,575	83.3%	747	Y	52.2%
Des Plaines, IL (6)	2004	1978	74,600	79.4%	644	N	0.0%
Elk Grove Village, IL	2004	1987	64,304	87.8%	648	Y	5.6%
Glenview, IL	2004	1998	100,115	84.5%	743	Y	100.0%

Gurnee, IL	2004	1987	80,300	78.3%	728	Y	34.1%
Hanover, IL	2004	1987	41,174	92.7%	419	Y	0.4%
Harvey, IL	2004	1987	60,315	90.0%	584	Y	2.9%
Joliet, IL	2004	1993	74,350	52.6%	480	Y	100.0%
Kildeer, IL	2004	1988	46,475	85.8%	429	Y	0.0%
Lombard, IL	2004	1981	57,736	88.6%	547	Y	9.9%
Mount Prospect, IL	2004	1979	65,000	81.3%	603	Y	12.7%
Mundelein, IL	2004	1990	44,700	80.1%	493	Y	8.9%
North Chicago, IL	2004	1985	53,300	83.5%	435	N	0.0%
Plainfield I, IL	2004	1998	53,900	80.2%	403	N	3.3%
Plainfield II, IL	2005	2000	52,100	64.2%	357	N	22.7%
Schaumburg, IL	2004	1988	31,235	83.5%	323	N	5.6%
Streamwood, IL	2004	1982	64,305	74.9%	572	N	4.4%
Warrensville, IL	2005	1977/89	48,796	84.6%	385	N	0.0%
Waukegan, IL	2004	1977	79,750	77.7%	703	Y	8.4%
West Chicago, IL	2004	1979	48,475	80.6%	435	Y	0.0%

Facility Location	Year Acquired/ Developed (1)	Year Built	Rentable Square Feet	Occupancy (2)	Units	Manager Apartment (3)	% Climate Controlled (4)
Westmont, IL	2004	1979	53,700	89.0%	402	Y	0.0%
Wheeling I, IL	2004	1974	54,210	81.5%	502	Y	0.0%
Wheeling II, IL	2004	1979	67,825	68.2%	619	Y	7.3%
Woodridge, IL	2004	1987	50,725	91.3%	472	Y	7.6%
Indianapolis I, IN	2004	1987	43,600	91.5%	327	N	0.0%
Indianapolis II, IN	2004	1997	44,900	80.3%	456	Y	15.6%
Indianapolis III, IN	2004	1999	60,850	83.3%	501	Y	32.8%
Indianapolis IV, IN	2004	1976	68,250	77.8%	615	Y	0.0%
Indianapolis IX, IN	2004	1976	61,732	83.7%	549	Y	0.0%
Indianapolis V, IN	2004	1999	74,825	91.1%	587	Y	33.6%
Indianapolis VI, IN	2004	1976	73,353	74.1%	728	Y	0.0%
Indianapolis VII, IN	2004	1992	91,807	77.7%	818	Y	6.4%
Indianapolis VIII, IN	2004	1975	80,140	71.1%	721	Y	0.0%
Baton Rouge I, LA	1997	1980	55,474	92.2%	464	Y	8.3%
Baton Rouge II, LA	1997	1980/1995	80,452	94.1%	585	Y	40.4%
Baton Rouge III, LA	1997	1982	60,770	95.6%	445	Y	10.3%
Prairieville, LA	1998	1991	28,319	83.5%	341	Y	6.3%
Slidell, LA	2001	1998	79,540	94.5%	523	Y	46.6%
Boston, MA	2002	2001	60,270	76.7%	619	Y	100.0%
Leominster, MA	1998	1987/88/00	54,081	74.8%	504	Y	38.5%
Medford, MA	2007	2001	58,577	72.5%	653	Y	96.0%
Baltimore, MD	2001	1999/00	93,700	84.1%	843	Y	45.5%
California, MD	2004	1998	77,678	83.8%	761	Y	38.9%
Gaithersburg, MD	2005	1998	86,970	84.0%	795	Y	41.7%
Laurel, MD	2001	1978/99/00	162,297	92.4%	1018	Y	41.0%
Temple Hills, MD	2001	2000	97,250	83.3%	815	Y	68.8%
Grand Rapids, MI	1996	1976	87,031	72.8%	526	Y	0.0%
Portage, MI (6)	1996	1980	50,280	82.3%	387	N	0.0%
Romulus, MI	1997	1997	42,175	81.6%	340	Y	7.5%
Wyoming, MI	1996	1987	91,283	80.5%	635	N	0.0%
Biloxi, MS	1997	1978/93	66,394	85.4%	594	Y	12.2%
Gautier, MS	1997	1981	35,925	83.5%	305	Y	7.4%
Gulfport I, MS	1997	1970	68,320	83.2%	494	Y	11.0%
Gulfport II, MS	1997	1986	64,445	92.6%	448	Y	18.7%
Gulfport III, MS	1997	1977/93	61,251	83.7%	517	Y	33.5%
Waveland, MS	1998	1982/83/84/93	57,096	64.8%	466	Y	37.9%
Belmont, NC	2001	1996/97/98	80,512	91.8%	605	N	25.2%
Burlington I, NC	2001	1990/91/93/94/98	109,545	73.2%	966	N	0.7%
Burlington II, NC	2001	1991	42,280	77.3%	397	Y	12.1%
Cary, NC	2001	1993/94/97	111,772	82.3%	798	N	7.3%
Charlotte, NC	1999	1999	69,000	95.5%	738	Y	52.8%
Fayetteville I, NC	1997	1981	41,450	97.9%	347	N	0.0%
Fayetteville II, NC	1997	1993/95	54,225	97.1%	547	Y	11.9%
Raleigh, NC	1998	1994/95	48,675	91.6%	412	Y	8.2%
Brick, NJ	1994	1981	52,740	73.5%	452	N	0.0%
Clifton, NJ	2005	2001	105,550	85.7%	1015	Y	85.5%
Cranford, NJ	1994	1987	91,250	82.4%	846	Y	7.9%
East Hanover, NJ	1994	1983	107,679	62.5%	1013	N	1.6%
Elizabeth, NJ	2005	1925/97	38,892	56.5%	677	N	0.0%
Fairview, NJ	1997	1989	27,676	87.3%	449	N	100.0%
Hamilton, NJ	2006	1990	70,550	58.9%	622	Y	0.0%
Hoboken, NJ	2005	1945/97	34,280	85.0%	745	N	100.0%
Jersey City, NJ	1994	1985	91,361	81.3%	1093	Y	0.0%
Linden I, NJ	1994	1983	95,575	73.6%	1059	N	2.9%
Linden II, NJ	1994	1982	35,800	92.5%	23	N	0.0%
Morris Township, NJ (5)	1997	1972	75,576	69.9%	595	Y	1.2%
Parsippany, NJ	1997	1981	66,325	81.0%	605	Y	6.9%
Randolph, NJ	2002	1998/99	52,565	76.8%	593	Y	81.5%
Sewell, NJ	2001	1984/98	57,767	67.6%	479	N	5.0%
Albuquerque I, NM	2005	1985	65,927	86.7%	607	Y	3.2%
Albuquerque II, NM	2005	1985	58,834	89.2%	547	Y	4.2%
Albuquerque III, NM	2005	1978	41,016	93.6%	455	N	4.3%
Albuquerque IV, NM	2005	1986	57,536	87.4%	535	Y	4.7%
Albuquerque V, NM	2006	1994	52,217	91.0%	424	Y	10.2%

Carlsbad, NM	2005	1975	39,999	97.8%	343	Y	0.0%
Deming, NM	2005	1973/83	33,005	81.9%	246	Y	0.0%
Las Cruces, NM	2005	1984	43,850	85.7%	401	Y	3.0%
Lovington, NM	2005	1975	15,751	95.2%	264	Y	0.0%
Silver City, NM	2005	1972	26,875	91.8%	255	Y	0.0%
Truth or Consequences, NM	2005	1977/99/00	24,010	92.3%	170	Y	0.0%
Las Vegas I, NV	2006	1986	50,882	80.6%	402	Y	5.0%
Las Vegas II, NV	2006	1997	49,000	85.4%	538	Y	76.5%
Endicott, NY	2005	1989	35,930	90.8%	296	Y	0.0%