



Company	Ticker	Sector	Industry
Public Storage	PSA-US	Real Estate	Equity Real Estate Investment Trusts (REITs)

Business Description

Public Storage operates as a real estate investment trust, which engages in acquiring, developing, owning and operating self-storage facilities. It operates through the following segments: Self-storage Operations, Ancillary Operations, and Other Items. The Self-storage Operations segment reflects the rental operations from all self-storage facilities. The Ancillary Operations segment deals with the sale of merchandise and reinsurance of policies against losses to goods stored by self-storage tenants, activities which are incidental to the primary self-storage rental activities. The Other Items segment includes general, administrative, and investment costs. The company was founded by Bradley Wayne Hughes, Sr. and Kenneth Q. Volk, Jr. in 1972 and is headquartered in Glendale, CA.

Price Chart

Key Info & Metrics



Empirical Research Rank:	4
Date Purchased:	09/06/2022
Price:	\$302.03
52-Week Range:	\$271.27 - \$419.90
Dividend Yield:	2.65%
Market Cap (\$M):	\$53,048
Forward Price-to-Earnings:	26
Total Return	
Year-to-Date:	7.8%
1 Year:	-11.2%
3 Year:	52.5%
5 Year:	99.5%

Investment Case - Updated: November 6, 2022

The self storage industry has attractive supply/demand dynamics. While demand accelerated during COVID, there are also more sustainable drivers such as hybrid work and the deterioration in housing affordability. New storage supply is being held in check by rising interest rates and construction costs. Public Storage benefits from two sources of growth – organic (same store) and external (acquisitions and developments). Same store revenue growth has been strong due to high occupancy, which gives Public Storage pricing power with its tenants. The firm has been ramping up its acquisition and development portfolio, and has demonstrated an ability to add value from this portfolio by increasing occupancy and rental rates over time. Public Storage could hold up well in a downturn due to its defensive traits and strong free cash flow. Self-storage is a less cyclical area of real estate, as demand is driven by life events (marriage, divorce, college) as well as housing activity. Public Storage has one of the highest credit ratings among REITs and could be opportunistic with acquisitions during a downturn.

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