SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 1996

Commission File Number: 1-13820

Sovran Self Storage, Inc.
(Exact name of Registrant as specified in its charter)

Maryland	16-1194043
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

5166 Main Street
Williamsville, NY 14221
(Address of principal executive offices)
(Zip code)

(716) 633-1850
(Registrant's telephone number including area code)

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

Title of Securities	Exchanges on which Registered
Common Stock, $.01 Par Value	New York Stock Exchange

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

Exhibit Index is on Page 20

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark 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. [ ]

As of March 24, 1997, 10,708,171 shares of Common Stock, $.01 par value per share were outstanding, and the aggregate market value of the Common Stock held by non-affiliates was approximately $319,161,375 (based on the closing price of the Common Stock on the New York Stock Exchange on March 24, 1997).

DOCUMENTS INCORPORATED BY REFERENCE

1996 Annual Report to Shareholders of the Company (Part II).

Notice of Annual Meeting of Shareholders and Proxy Statement for Annual Meeting of Shareholders of the Company to be held on May 13, 1997 (Part III).

Part I

Item 1. Business

Sovran Self Storage, Inc., (the "Company") is a self-administered and self-managed real estate investment trust (a "REIT") organized as a corporation under Maryland law on April 19, 1995. The Company was formed through the transfer for cash on June 26, 1995 of 62 self-storage properties previously owned by limited partnerships of which the Company's predecessor was the general partner, and the simultaneous acquisition of 12 additional self-storage properties from unrelated third parties, in connection with the consummation of the Company's initial public offering (the "Initial Offering") and related transactions (collectively, the "Formation Transactions"). From the Initial Offering until December 31, 1996, the Company acquired 37 additional self-storage properties from unrelated third parties. Twenty-nine of these 37 properties were acquired in 1996 and 8 were acquired in 1995. As of its year end, the Company owns and operates, a total of 111 self-storage properties (the "Properties"), consisting of approximately 5.8 million net rentable square feet. As of December 31, 1996, the Properties had a weighted average occupancy of 86% and a weighted average annual rent per occupied square foot of $7.41. Since January 1, 1997, the Company has acquired 17 properties with 931,254 square feet of storage space for $40.6 million. With the exception of 5 Properties located in Texas, all of the Company's Properties are located in 14 states in the eastern half of the United States. The Company believes that it is one of the largest operators of self-storage properties in the United States based on facilities owned.

The Company seeks to increase cash flow and enhance shareholder value through aggressive management of the Properties and selective acquisition of new self-storage properties. Aggressive property management entails increasing rents, increasing occupancy levels, strictly controlling costs, maximizing collections, strategically expanding and improving its Properties and, should economic conditions warrant, developing new properties. The Company believes that there continue to be significant opportunities for growth through acquisitions, and constantly seeks to acquire self-storage properties located primarily in the Eastern United States that are susceptible to realization of increased economies of scale and enhanced performance through the application of the Company's management expertise.

Industry Overview

The Company believes that the self-storage industry is characterized by a trend toward consolidation, continuing increase in demand, relatively slow growth in supply and a targeted market of primarily residential customers.

The Company believes that the self-storage industry is characterized by numerous small, local operators. The shortage of skilled operators, the scarcity of financing available to small operators for acquisitions and expansions and the potential for savings through economies of scale are leading to a consolidation in the self-storage industry. With its experience and in-house acquisition and management capabilities, the Company believes it is well positioned to continue to take advantage of potential growth opportunities resulting from this move to consolidation of the industry.

The self-storage industry has also experienced relatively slow growth in supply in recent years, due to such factors, as well as restrictive zoning and other regulations and the substantial start up costs associated with the construction and lease-up of new facilities. Demand for self-storage service has increased significantly as indicated by an increase in industry-wide average rents and in industry average occupancy. It is expected to remain strong due to its relative inelasticity and various other factors, including, population growth, increased mobility, expansion of condominium, townhouse and apartment living, and increasing consumer awareness. Commercial users in particular are taking advantage of self-storage as a low cost alternative to warehouses and other commercial storage options. Commercial customers tend to rent larger areas for longer terms, are more reliable payers and are less sensitive to price increases. The Company estimates that commercial users account for approximately 30-35% of its total occupancy, which is substantially higher than the reported industry average of 23%.

Property Management

The Company believes that it has developed substantial expertise in managing self-storage facilities. Key elements of the Company's management system include:

- Recruiting, training and retaining capable, aggressive on-site Property Managers;

- Motivating Property Managers and District Managers by providing an opportunity to earn additional incentive-based compensation based on property performance;

- Developing and maintaining an integrated marketing plan for each property which emphasizes commercial tenants;

- Linking all properties to its central customized management information system;

- Performing regular preventive maintenance to avoid significant repair obligations.

Each Property is managed by a full-time Property Manager and one or more Assistant Managers. The Property Manager typically resides on site in an apartment furnished by the Company, except where prohibited by local ordinance. A Property Manager is responsible for nearly all day-to-day operational decisions with

respect to his or her Property, including rent charges and maintenance, subject to certain monetary limits. Property Managers generally have the authority to either increase rental rates in response to demand or promote specials to raise occupancies, both of which have a direct impact on their incentive compensation. Assistant Managers are employed on a part-time basis to give Property Managers sufficient time to perform marketing functions. Each Property Manager reports to a District Manager. The Company currently employs 9 District Managers, each responsible for approximately 10-15 Properties. District Managers are encouraged by the Company to become Certified Property Managers under the standards set by the

Institute of Real Estate Management to improve their management skills and ability to train their Property Managers to operate their Properties more effectively. The District Managers report to the Company's Senior Vice President - Property Management, who is a Certified Property Manager.

Property Managers attend a thorough orientation program and undergo continuous training which emphasizes telephone skills, closing techniques, identification of selected marketing opportunities, networking with possible referral sources, and familiarization with the Company's customized management information system. In addition to frequent contact with District Managers and other Company personnel, Property Managers receive periodic newsletters regarding a variety of operational issues, and from time to time attend "roundtable" seminars with other Property Managers.

In addition to base salary, the Company's Property Managers and District Managers may earn incentive compensation based on increases in gross income and net operating income of their Properties. The Company annually establishes a target gross income and net operating income for each Property. A Property Manager earns a percentage of all gross income in excess of the target level, and a District Manager earns a percentage of the combined net operating incomes in excess of the targeted levels for all Properties reporting to him. This incentive compensation program is not subject to any caps or increment requirements. It is not unusual for a Manager to earn in excess of 25% of the base salary as incentive compensation. The Company believes that the structure of these programs causes its Managers to exercise their operational autonomy in a manner to maximize revenues and operating income through increased rental rates and in the case of the District Manager, decreased expenses.

The Company annually develops a written marketing plan for each of its Properties which is highly dependent upon local conditions. The focus of each marketing plan is, in part, determined by occupancy rates. If all storage units of a same size at a Property are at or near 90% occupancy, then the plan will generally include increases in rental rates. If a Property has excess capacity, then the marketing plan will target selected markets such as local military bases, colleges, apartment and condominium complexes, industrial parks, medical centers, retail shopping malls and office suites. The Company primarily uses telephone directories to advertise its services, including a map

and when possible, listing Properties in the same marketplace in a single advertisement. The Company also conducts quarterly surveys of its competitors' practices, which include "shopping" at competing facilities.

The Company utilizes a central customized management information system that performs billing, collections and reservation functions for each Property, and also tracks information used in developing marketing plans regarding occupancy levels, tenant demographics and histories, and expenses. The system generates daily, weekly and monthly financial reports for each Property that are immediately transmitted to the Company's headquarters each night via modem. The system also requires a Property Manager to input an explanation for all debit and credit transactions, paid-to-date changes, and all other discretionary activities, which allows the accounting staff at the Company's headquarters to promptly review all such transactions within 24 hours. Late charges are automatically imposed and reported. More sensitive activities such as rental rate adjustments, unit size changes and adding or deleting units into a Property's system are only accessible by District Managers and are password protected. The Company's customized management information system permits it to add new Properties to its portfolio with minimal additional overhead expense.

The tenant data tracked by the customized management information system has proven to be a valuable marketing resource. For example, the system automatically tracks historical tenant address and demographic information and generates solicitations to be sent to seasonal tenants.

Environmental and Other Regulation

The Company is subject to federal, state, and local environmental regulations that apply generally to the ownership of real property and the operation of self-storage facilities. The Company has not received notice from any governmental authority or private party of any material environmental noncompliance, claim, or liability in connection with any of the Properties, and is not aware of any environmental condition with respect to any of the Properties that could have a material adverse effect on the Company's financial condition or results of operations.

The Properties are also generally subject to the same types of local regulations governing other real property, including zoning ordinances. The Company believes that the Properties are in material compliance with all such regulations.

Insurance

Each of the Properties is covered by fire, flood and property insurance, including comprehensive liability, all-risk property insurance, provided by reputable companies and with commercially reasonable terms. In addition, the Company maintains a policy insuring against environmental liabilities

resulting from tenant storage on terms customary for the industry, and title insurance insuring fee title to the Properties in an aggregate amount believed to be adequate.

Federal Income Tax

The Company qualifies as a REIT under the Internal Revenue Code of 1986 (the "Code"), as amended, and will generally not be subject to corporate income taxes to the extent it distributes at least 95% of its taxable income to its shareholders and complies with certain other requirements. No assurance can be given that it will at all times so qualify.

Competition

The primary factors upon which competition in the self-storage industry is based are location, month-to-month rental rates, suitability of the property's design to prospective tenants' needs, and the manner in which the property is operated and marketed. The Company believes it competes successfully on these bases. The extent of competition depends in significant part on local market conditions. The Company seeks to locate its facilities so as not to cause its own Properties to compete with one another for customers, but the number of self-storage facilities in a particular area could have a material adverse effect on the performance of any of the Properties.

Several of the Company's competitors, including Public Storage Management, Inc., Shurgard Incorporated, U-Haul International, Storage USA, Inc. and Storage Trust Realty are larger and have substantially greater financial resources than the Company. These larger operators may, among other possible advantages, be capable of greater leverage and the payment of higher prices for acquisitions.

Investment Policy

While the Company emphasizes equity real estate investments, it may, in its discretion, invest in mortgage and other real estate interests related to self-storage properties consistent with its qualification as a REIT. The Company may also retain a purchase money mortgage for a portion of the sale price in connection with the disposition of Properties from time to time. Also, while the Company does not have any current intention of acquiring any interests other than direct equity ownership in self-storage facilities, subject to the percentage of ownership limitations and gross income tests necessary for REIT qualification, the Company also may invest in securities of entities engaged in real estate activities or securities of other issuers, including for the purpose of exercising control over such entities.

Disposition Policy

Management periodically reviews the assets comprising the Company's portfolio. The Company has no current intention to dispose of any of the Properties, although it reserves the right to do so. Any disposition decision will be based on a variety of factors, including, but not limited to, the (i) potential to continue to increase cash flow and value, (ii) sale price, (iii) strategic fit with the rest of the Company's portfolio, (iv) potential for, or existence of, environmental or regulatory issues, (v) alternative uses of capital, and (vi) maintaining qualification as a REIT.

Distribution Policy

The Company intends to pay regular quarterly distributions to its shareholders. However, future distributions by the Company will be at the discretion of the Board of Directors and will depend on the actual cash available for distribution, the Company's financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Code and other such factors as the Board of Directors deems relevant. In order to maintain its qualification as a REIT, the Company must make annual distributions to shareholders of at least 95% of its REIT taxable income (which does not include capital gains). Under certain circumstances, the Company may be required to make distributions in excess of cash available for distribution in order to meet this requirement.

The Board of Directors declared a dividend distribution of one preferred share purchase right for each outstanding common share to shareholders of record at the close of business on December 16, 1996. These rights will become exercisable if a person becomes an "acquiring person" by acquiring 10% or more of the common shares of Sovran Self Storage, Inc. or if a person commences a tender offer that would result in that person owning 10% or more of the common shares.

Borrowing Policy

The Board of Directors of the Company currently limits the amount of debt that may be incurred by the Company to less than 50% of the sum of market value of the issued and outstanding Common Stock plus the Company's debt (Market Capitalization). At December 31, 1996, the Company had no Company debt. At March 24, 1997, the Company had $29 million outstanding under its Credit Facility with Paine Webber Real Estate Securities, Inc. The Company may from time to time re-evaluate and modify its borrowing policy in light of then current economic conditions, relative costs of debt and equity capital, market values of properties, growth and acquisition opportunities and other factors.

The Company obtained an increase in the amount available under the Credit Facility to $75 million from $45 million. In connection with the increase, the interest rate was reduced from 30-day LIBOR plus 2.6 % to 30-day LIBOR plus 1.9% and the maturity date was extended from June 1997 to August 1998. The Credit Facility is to be used for development, acquisitions and general corporate purposes. To the extent that the Company desires to obtain additional capital to pay distributions, to provide working capital, to pay existing indebtedness or to

finance acquisitions, expansions or development of new properties, the Company may utilize public and private equity offerings, floating or fixed rate debt financing, retention of cash flow (subject to satisfying the Company's distribution requirements under the REIT rules) or a combination of these methods. Additional debt financing may also be obtained through mortgages on its Properties which may be recourse, non-recourse, or cross-collateralized and may contain cross-default provisions. The Company has not established any limit on the number or amount of mortgages that may be placed on any single Property or on its portfolio as a whole. See "Management's Discussion and Analysis of Financial Condition and Results of Operation-Liquidity and Capital Resources" in the Company's 1996 Annual Report to Shareholders.

Employees

The Company currently employs a total of 305 employees, including 109 Property Managers, 9 District Managers and 140 part-time employees. At the Company's headquarters, in addition to the 3 senior executive officers, the Company employs 23 people engaged in various support activities such as accounting and management information systems. None of the Company's employees is covered by a collective bargaining agreement. The Company considers its employee relations to be excellent.

Item 2. Properties

Overview

As of December 31, 1996, the Company owned and operated, a total of 111 self-storage properties (the Properties), consisting of approximately 5.8 million net rentable square feet. With the exception of 5 Properties located in Texas, all of the Company's Properties are located in 14 states, in the eastern half of the United States. As of December 31, 1996, the Properties had a weighted average occupancy of 86% and a weighted average annual rent per occupied square foot of $7.41. The Company believes that it is one of the largest operators of self-storage properties in the United States based on facilities owned.

The Company's self-storage facilities offer inexpensive, easily-accessible, enclosed storage space to residential and commercial users on a month-to-month basis. Most of the Company's Properties are fenced-in, have locked gates and are lighted. All but ten of the Properties are single-story, thereby providing customers with the convenience of direct vehicle access to their storage units. All Properties have a Property Manager on-site during business hours and, in most cases, the Property Manager resides in an apartment at the facility. Customers have access to their storage areas during business hours, and some commercial customers are provided 24-hour access. Individual storage units are secured by a lock furnished by the customer to provide the customer with control of access to the unit.

The table below provides certain information regarding the properties:
<TABLE>
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Location	Year Built	Rentable Sq. Ft.	Uncle BoB's Trade Name	1996 Average Occupancy	Acres	Units	Bldgs.	Stories	Mgr. Apt.	Construction
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
Alabama:										
Birmingham I, AL	1990	37,075	Y	78%	2.67	297	9	1	Y	Masonry/Steel Roof
Birmingham II, AL	1990	52,150	Y	93%	4.68	414	8	1	Y	Masonry/Steel Roof
Birmingham III, AL	1970	72,050	Y	89%	4.30	409	6	1	N	Masonry/Steel Roof
Montgomery I, AL	1982	75,000	Y	90%	5.00	625	16	1	N	Masonry/Steel Roof
Montgomery II, AL	1984	42,100	Y	86%	2.65	300	10	1	N	Masonry/Steel Roof
Montgomery III, AL	1988	41,550	N	95%	2.40	392	9	1	Y	Steel Bldg./Steel Roof
Connecticut:										
Hartford-Metro I, CT	1988	47,650	Y	88%	10.03	339	10	1	N	Steel Bldg./Steel Roof
Hartford-Metro II, CT	1992	40,275	Y	89%	6.00	313	7	1	N	Steel Bldg./Steel Roof
New Haven, CT	1985	36,000	Y	95%	3.90	340	5	1	N	Steel Bldg./Steel Roof
Florida:										
Deltona, FL	1984	60,000	Y	91%	5.00	452	5	1	Y	Masonry Wall/Shingled Roof
Ft. Lauderdale, FL	1985	103,000	Y	89%	7.59	646	7	1	Y	Steel Bldg./Steel Roof
Ft. Myers I, FL	1988	28,068	Y	95%	1.14	272	6	2	Y	Steel Bldg./Steel Roof
Ft. Myers II, FL	1991/94	41,728	Y	91%	3.22	602	6	1	Y	Masonry/Steel Roof
Ft. Myers III, FL	1986	35,935	N	86%	2.44	261	9	1	Y	Masonry/Steel Roof
Ft. Myers IV, FL	1987	63,000	N	88%	4.50	289	4	1	Y	Masonry/Steel Roof
Jacksonville I, FL	1985	40,000	Y	90%	2.65	296	14	1	Y	Masonry Wall/Tar & Gravel Roof
Jacksonville II, FL	1987	53,225	Y	92%	4.41	465	11	1	Y	Masonry/Steel Roof
Jacksonville III, FL	1987	102,200	N	89%	5.90	786	13	1	Y	Masonry Wall/Shingled Roof
Jacksonville IV, FL	1985	43,865	N	88%	2.70	527	7	1	Y	Steel Bldg./Steel Roof
Jacksonville V, FL	1987/92	55,400	N	95%	2.89	514	13	2	Y	Steel Bldg.& Roof, Masonary Wall
Lakeland, FL	1985	45,725	Y	84%	3.50	444	11	1	Y	Masonry Wall/Steel Roof
Lakeland II, FL	1988	41,860	Y	89%	4.00	446	9	1	N	Masonry Wall/Steel Roof
Melbourne I, FL	1986	61,787	Y	87%	8.30	605	11	1	Y	Masonry Wall/Shingled Roof
Melbourne II, FL	1986	55,755	Y	89%	3.44	657	11	1	N	Steel Bldg./Steel Roof
Orlando I, FL	1988	53,875	Y	96%	2.75	603	3	2	Y	Steel Bldg./Steel Roof
Orlando II, FL	1986	135,000	Y	78%	8.50	1,359	20	1	Y	Masonry Wall/Steel Roof
Orlando III, FL	1975	60,000	N	92%	3.20	487	8	2	N	Masonry Wall/Steel Roof
Pensacola I, FL	1983	105,127	Y	90%	7.50	976	13	1	Y	Steel Bldg./Steel Roof
Pensacola II, FL	1986	57,355	Y	97%	3.40	509	9	1	Y	Steel Bldg./Steel Roof

Pensacola III, FL	1986	63,250	Y	94%	6.10	510	12	1	N	Steel Bldg./Steel Roof
Pensacola IV, FL	1990	39,825	Y	94%	2.71	280	9	1	Y	Masonry/Steel Roof
Pensacola V, FL	1990	38,850	Y	89%	2.60	324	4	1	Y	Masonry/Steel Roof
Port St. Lucie, FL	1985	60,000	Y	70%	4.02	599	12	1	N	Steel Bldg./Steel Roof

Tallahassee I, FL	1973	149,600	Y	86%	18.68	730	21	1	Y	Masonry Wall/Tar & Gravel Roof
Tallahassee II, FL	1975	43,600	Y	95%	4.01	236	7	1	Y	Masonry Wall/Tar & Gravel Roof
Tampa I, FL	1989	60,202	Y	89%	3.30	889	6	1	N	Masonry/Steel Roof
Tampa II, FL	1985	55,911	Y	89%	2.90	794	10	1	N	Masonry/Steel Roof
Tampa III, FL	1988	45,507	Y	92%	2.20	689	5	1	N	Masonry/Steel Roof
Tampa IV, FL	1985	60,675	Y	93%	4.03	633	10	1	Y	Masonry/Steel Roof
West Palm, FL	1985	49,000	Y	75%	3.20	412	6	1	N	Steel Bldg./Steel Roof
West Palm II, FL	1986	33,120	Y	94%	2.34	395	9	1	Y	Masonry/Steel Roof

Georgia:

Atlanta-Metro I, GA	1988	69,075	Y	88%	3.94	539	5	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro II, GA	1988	45,100	Y	92%	3.87	375	6	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro III, GA	1988	55,475	Y	94%	5.30	483	9	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro IV, GA	1989	41,724	Y	95%	3.50	304	7	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro V, GA	1988	38,082	Y	88%	4.20	372	3	1	Y	Masonry Wall/Tar & Gravel Roof
Atlanta-Metro VI, GA	1986	51,375	Y	89%	3.63	458	7	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro VII, GA	1981	43,400	Y	93%	2.53	324	9	2	Y	Masonry Wall/Tar & Gravel Roof
Atlanta-Metro VIII, GA	1975	41,400	Y	91%	3.33	452	6	2	Y	Masonry Wall/Tar & Gravel Roof
Atlanta-Metro IX, GA	1988	56,725	Y	86%	4.58	409	6	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro X, GA	1988	45,425	Y	97%	6.80	391	9	1	N	Steel Bldg./Steel Roof
Augusta I, GA	1988	52,300	Y	79%	3.99	407	13	1	Y	Steel Bldg./Steel Roof
Augusta II, GA	1987	45,700	Y	83%	3.48	377	4	1	Y	Masonry Wall/Steel Roof
Macon I, GA	1989	40,700	Y	92%	3.20	356	14	1	Y	Steel Bldg./Steel Roof
Macon II, GA	1989/94	58,750	Y	92%	14.00	535	11	1	Y	Steel Bldg./Steel Roof
Savannah, GA	1981	58,781	Y	84%	5.37	527	11	1	Y	Masonry Wall/Steel Roof

Maryland:

Frederick, MD	1984	22,233	Y	78%	1.85	347	2	3	N	Masonry Wall/Shingled Roof
Gaithersburg, MD	1988	63,915	Y	84%	2.22	526	2	4	Y	Masonry Wall/Tar & Gravel Roof
Landover, MD	1990	53,171	N	94%	3.10	686	8	1	Y	Steel Bldg./Steel Roof
Salisbury, MD	1979	34,350	Y	71%	3.03	418	10	1	N	Masonry Wall/Tar & Gravel Roof

Massachusetts :

Boston-Metro I, MA	1980	37,575	Y	94%	2.03	403	3	2	N	Masonry Wall/Tar & Gravel Roof
Boston-Metro II, MA	1986	36,900	Y	97%	3.60	428	8	2	N	Masonry Wall/Tar & Gravel Roof
New Bedford, MA	1982	41,980	Y	81%	3.36	408	7	1	Y	Steel Bldg./Steel Roof
Springfield, MA	1986	41,399	N	86%	4.68	337	5	1	N	Masonry Wall/Shingled Roof

Mississippi:

Jackson I, MS	1990	41,900	Y	93%	2.00	344	6	1	Y	Masonry/Steel Roof
Jackson II, MS	1990	38,775	Y	75%	2.06	308	9	1	Y	Masonry/Steel Roof

New York:

Buffalo I, NY	1981	61,200	Y	93%	5.10	507	10	1	Y	Steel Bldg./Steel Roof
Buffalo II, NY	1984	53,525	Y	90%	6.20	430	12	1	Y	Steel Bldg./Steel Roof
Middletown, NY	1988	30,000	Y	90%	2.78	281	4	1	N	Steel Bldg./Steel Roof
Rochester I, NY	1981	43,000	Y	90%	2.90	407	5	1	Y	Steel Bldg./Steel Roof
Rochester II, NY	1980	39,000	Y	92%	3.53	250	9	1	N	Masonry Wall/Shingled Roof
Rochester lll, NY	1990	51,826	N	93%	2.71	421	1	1	N	Masonry Wall/Shingled Roof
Syracuse, NY	1987	70,200	Y	88%	7.50	767	16	1	N	Steel Bldg./Steel Roof
Syracuse II, NY	1983	44,350	N	93%	3.58	364	7	1	Y	Steel Bldg./Shingled Roof

North Carolina:

Charlotte, NC	1986	37,051	Y	86%	2.85	337	6	1	Y	Steel Bldg./Steel Roof
Charlotte II, NC	1995	48,750	N	78%	5.60	494	7	1	Y	Masonry Wall/Steel Roof
Charlotte III, NC	1995	31,200	N	81%	2.91	346	6	1	Y	Masonry Wall/Steel Roof
Fayetteville, NC	1980	92,800	Y	70%	6.20	1,160	12	1	Y	Steel Bldg./Steel Roof
Greensboro, NC	1986	42,900	Y	85%	3.37	415	5	1	Y	Steel Bldg. & Roof/Masonary Wall
Raleigh I, NC	1985	57,750	Y	88%	5.00	569	8	2	Y	Steel Bldg./Steel Roof
Raleigh II, NC	1985	33,150	Y	79%	2.50	329	8	1	Y	Steel Bldg./Steel Roof

Ohio:

Cincinnati, OH	1988	48,830	N	96%	2.84	496	7	1	Y	Masonry Wall/Steel Roof
Cleveland-Metro I, OH	1980	48,250	Y	83%	6.41	359	9	1	Y	Steel Bldg./Steel Roof
Cleveland-Metro II, OH	1987	60,500	Y	87%	4.82	453	4	1	Y	Steel Bldg./Steel Roof
Dayton, OH	1988	61,875	N	94%	3.55	615	8	1	Y	Masonry Wall/Steel Roof
Youngstown, OH	1980	48,825	Y	93%	5.80	380	5	1	Y	Steel Bldg./Steel Roof

Pennsylvania:

Allentown, PA	1983	30,000	Y	97%	6.25	277	7	1	Y	Masonry Wall/Shingled Roof
Harrisburg I, PA	1983	48,746	Y	89%	4.05	475	9	1	Y	Masonry Wall/Steel Roof
Harrisburg II, PA	1985	58,800	Y	95%	9.22	299	10	1	Y	Masonry Wall/Steel Roof
Pittsburgh, PA	1990	57,375	N	89%	3.41	551	6	1	Y	Steel Bldg./Steel Roof
Pittsburgh II, PA	1983	75,875	N	87%	4.76	732	4	2	Y	Masonry Wall/Shingled Roof
Sharon, PA	1975	37,200	Y	71%	2.98	314	5	1	Y	Steel Bldg./Steel Roof

Rhode Island:

Providence, RI	1984	37,825	Y	81%	3.67	397	7	1	Y	Masonry Wall/Tar & Gravel Roof

South Carolina:										
Charleston I, SC	1985	51,445	Y	88%	3.30	421	11	1	Y	Steel Bldg.&Roof/Masonary Wall
Charleston II, SC	1985	41,038	Y	97%	2.20	335	10	1	Y	Masonry Wall/Steel Roof
Columbia I, SC	1985	47,650	Y	79%	3.30	410	7	1	Y	Steel Bldg./Steel Roof
Columbia II, SC	1987	59,000	Y	93%	5.95	464	8	1	N	Steel Bldg./Steel Roof
Columbia III, SC	1989	41,200	Y	85%	3.50	354	5	2	Y	Steel Bldg./Steel Roof
Columbia IV, SC	1986	56,000	Y	94%	5.60	446	7	1	Y	Steel Bldg./Steel Roof
Spartanburg, SC	1989	49,500	Y	85%	3.57	350	6	1	Y	Steel Bldg./Steel Roof
Texas:										
Arlington I, TX	1987	45,965	N	90%	2.26	411	7	1	Y	Masonry Wall/Steel Roof
Arlington II, TX	1986	67,100	N	79%	3.78	330	11	1	Y	Masonry Wall/Steel Roof
Ft. Worth, TX	1986	40,825	N	94%	2.37	356	3	1	Y	Masonry Wall/Asphalt Roof
San Antonio I, TX	1986	48,280	Y	89%	3.88	486	12	1	Y	Masonry Wall/Steel Roof
San Antonio II, TX	1986	40,550	Y	86%	1.87	287	7	1	Y	Masonry Wall/Steel Roof
Virginia:										
Alexandria, VA	1984	77,310	Y	77%	3.16	1,105	4	2	Y	Masonry Wall/Tar & Gravel Roof
Newport News I, VA	1988	52,944	Y	93%	3.24	451	7	1	Y	Steel Bldg./Steel Roof
Newport News II, VA	1988/93	63,125	N	97%	4.66	384	8	1	Y	Steel Bldg./Steel Roof
Norfolk I, VA	1984	49,950	Y	89%	2.70	357	7	1	Y	Steel Bldg./Steel Roof
Norfolk II, VA	1989	45,375	Y	93%	2.10	363	4	1	Y	Masonry Wall/Steel Roof
Richmond, VA	1987	52,035	Y	89%	2.67	524	5	1	Y	Steel Bldg./Steel Roof
Total for all Properties		5,822,600			465.00	51,889	887			
Average for all Properties				88.1%						
Weighted Average				85.6%						

</TABLE>

Currently, 90 of the Properties conduct business under the user-friendly trade name "Uncle BoB's Self-Storage" and the remainder are operated under various names acquired with the Properties. The Company intends to convert all the Properties to the "Uncle BoB's" trade name.

The Company's self-storage facilities are significantly less expensive to maintain than most other types of real estate due to the simple construction techniques and durable construction materials. Maintenance is the primary responsibility of the Property Manager, who may elect to engage third party contractors to perform some types of maintenance. The Company has historically spent, on average, less than $8,000 per year for capital improvements on each Property.

Item 3. Legal Proceedings

Robert J. Amsdell, a former business associate of certain officers and directors of the company, including Robert J. Attea, Charles E. Lannon, Kenneth F. Myszka and David L. Rogers, filed a lawsuit against the Company on June 13, 1995 in the United States District Court for the Northern District of Ohio in connection with the formation of the Company as a REIT and related transactions, as well as the Initial Offering. On April 29, 1996, Mr. Amsdell filed a first amended complaint in the lawsuit alleging breach of fiduciary duty, breach of contract, breach of general partnership/joint venture arrangement, statutory violations regarding dissolution of general partnership or joint venture, breach of duty of good faith and fair dealing, fraud and deceit, interference with prospective advantage, and violation of trademark/trade name rights. Mr. Amsdell is seeking money damages in excess of $25 million, as well as punitive damages and declaratory and injunctive relief (including the imposition of a constructive trust on assets of the Company in which Mr. Amsdell claims to have a continuing interest) and an accounting. The first amended complaint also added Messrs. Attea, Lannon, Myszka and Rogers as additional defendants. The parties are currently involved in discovery. The Company intends to vigorously defend the lawsuit. Messrs. Attea, Lannon, Myszka and Rogers have agreed to indemnify the Company for any loss arising from the lawsuit. The Company believes that the actual amount of Mr. Amsdell's recovery in this matter, if any, would be within the ability of these individuals to provide indemnification. The Company does not believe that the lawsuit will have a material adverse effect upon the Company.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

Other Executive Officers of the Registrant

The names and ages of other executive and other officers of the Company are set forth below. Their principal occupations for the past five years have been their employment with the Company and its predecessors.

Name	Age	Position
Charles J. Fritts	41	Senior Vice President - Property Management
John B. Colclough	37	Vice President - Property Acquisition
Sandra L. Herberger	47	Vice President - Administration
Joan M. Light	61	Vice President - Corporate Operations
Stephen S. Palmeri	53	Controller
Diane M. Piegza	37	Vice President - Marketing

Part II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The Company's Common Stock is traded on the New York Stock Exchange under the symbol "SSS". Set forth below are the high and low sales prices for the Company's Common Stock for each full quarterly period within the two most recent years:

New York Stock Exchange

Quarter	Range	
1995	High	Low
2nd	23	23
3rd	25.75	22.38
4th	26.75	23.13
1996		
1st	27.50	25
2nd	27.125	24.625
3rd	27	24.625
4th	31.25	25.625

As of March 24, 1997, there were approximately 388 holders of record of the Company's Common Stock.

The Company has paid quarterly dividends to its shareholders since the Initial Offering. On August 29, 1996, the Board of Directors approved an increase in the quarterly distribution from \$0.505 to \$0.520 per Common Share commencing with the distribution for the quarter ending September 30, 1996.

For Federal tax purposes, distributions to shareholders are treated as ordinary income, capital gain, return of capital or a combination thereof. Distributions to shareholders for 1996 represent 100% ordinary income.

History of Dividends Declared on Common Stock

- --
- --

2nd Quarter, 1995	-	$0.025 per share
3rd Quarter, 1995	-	$0.505 per share
4th Quarter, 1995	-	$0.505 per share
1st Quarter, 1996	-	$0.505 per share
2nd quarter, 1996	-	$0.505 per share
3rd quarter, 1996	-	$0.52 per share
4th quarter, 1996	-	$0.52 per share

Item 6. Selected Financial Data

The information required herein is incorporated by reference to the Company's 1996 Annual Report to Shareholders on page 12.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation

The information required herein is incorporated by reference to the Company's 1996 Annual Report to Shareholders on pages 9 to 12.

Item 8. Financial Statements and Supplementary Data

The information required herein is incorporated by reference to the Company's 1996 Annual Report to Shareholders on pages 13 to 24.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None

Part III

Item 10. Directors and Executive Officers of the Registrant

The information required herein is incorporated by reference to "Election of Directors" and "Executive Officers of the Company" in the Company's Proxy Statement for Annual Meeting of Shareholders of the Company to be held on May 13, 1997. Information concerning the Company's other executive officers can be found in Part I of this Annual Report on Form 10 K.

Item 11. Executive Compensation

The information required herein is incorporated by reference to "Executive Compensation" and "Compensation of Directors" in the Company's Proxy Statement for Annual Meeting of Shareholders of the Company to be held on May 13, 1997.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required herein is incorporated by reference to "Security Ownership of Certain Beneficial Owners and Management" in the Proxy Statement for Annual Meeting of Shareholders of the Company to be held on May 13, 1997.

Item 13. Certain Relationships and Related Transactions

The information required herein is incorporated by reference to "Certain Transactions" in the Proxy Statement for Annual Meeting of Shareholders of the Company to be held on May 13, 1997.

Part IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) Documents filed as part of this Annual Report on Form 10-K:

1. Financial Statements filed as part of this Annual Report on Form 10-K are included in the 1997 Annual Report to Shareholders and incorporated herein by reference.

(i) Consolidated Balance Sheet - December 31, 1996 and 1995

(ii) Consolidated Statement of Operations of the Company and Combined Statements of Operations of the Predecessors - Year Ended December 31, 1994, January 1, 1995 to June 25, 1995, June 26, 1995 to December 31, 1995 and Year Ended December 31, 1996.

(iii) Combined Statements of Owners' Equity of the Predecessor/Consolidated Statements of the Shareholders' Equity of the Company - January 1, 1994 to June 25, 1995 and June 26, 1995 to December 31, 1996

(iv) Consolidated Statements of Cash Flows of the Company and Combined Statements of Cash Flows of the Predecessors - Year Ended December 31, 1994, January 1, 1995 to June 25, 1995, June 26, 1995 to December 31, 1995 and Year Ended December 31, 1996.

(v) Selected Financial Data - For the Predecessor at or for Year Ended December 31, 1992, 1993, 1994 and for January 1, 1995 to June 25, 1995 and for the Company for June 26, 1995 to December 31, 1995 and for the year ended December 31, 1996.

2. The following financial statement Schedules as of and for the period ended December 31, 1996 is included in this Annual Report on Form 10-K:

Schedule III Real Estate and Accumulated Depreciation

All other consolidated financial schedules are omitted because they are inapplicable, not required, or the information is included elsewhere in the consolidated financial statements or the notes thereto.

3. Exhibits.

The exhibits required to be filed as part of this Annual Report on Form 10-K have been included as follows:

3.1(a)* Amended and Restated Articles of Incorporation of the Registrant.

3.1(b) Articles Supplementary to the Articles of Incorporation of the Registrant classifying and designating the Series A Junior Participating Cumulative Preferred Stock. Incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed December 3, 1996.

3.2* Bylaws of the Registrant.

4.1 Shareholder Rights Plan; incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed December 3, 1996.

10.1* Form of Agreement of Limited Partnership of Sovran Acquisition Limited Partnership.

10.2* Form of Non-competition Agreement between the Registrant and Charles E. Lannon.

10.3* Form of Employment Agreement between the Registrant and Robert J. Attea.

10.4* Form of Employment Agreement between the Registrant and Kenneth F. Myszka.

10.5* Form of Employment Agreement between the Registrant and David L. Rogers.

10.6* Sovran Self Storage, Inc. 1995 Award and Option Plan.

10.7* 1995 Sovran Self Storage, Inc. Directors' Option Plan.

10.8* Sovran Self Storage, Inc. Incentive Compensation Plan for Executive Officers.

10.9* Restricted Stock Agreement between the Registrant and David L. Rogers.

10.10* Form of Supplemental Representations, Warranties and Indemnification Agreement among the Registrant and Robert J. Attea, Charles E. Lannon, Kenneth F. Myszka and David L. Rogers.

10.11* Form of Pledge Agreement among the Registrant and Robert J. Attea, Charles E. Lannon, Kenneth F. Myszka and David L. Rogers.

10.12* Form of Indemnification Agreement between the Registrant and certain Officers and Directors of the Registrant.

10.13* Form of Subscription Agreement (including Registration Rights Statement) among the Registrant and subscribers for 422,171 Common Shares.

10.14* Form of Registration Rights and Lock-Up Agreement among the Registrant and Robert J. Attea, Kenneth F. Myszka and David L. Rogers.

10.15* Form of Facilities Services Agreement between the Registrant and Williamsville Properties, Inc.

13 1996 Annual Report to Shareholders. (Except for those portions which are expressly incorporated by reference to the Annual Report on Form 10-K, this exhibit is furnished for the information of the Securities and Exchange Commission and is not deemed to be filed as part of this Annual Report on Form 10-K.)

21 Subsidiary of the Company.
The Company's only subsidiary is Sovran Holdings, Inc.

23 Consent of Independent Auditors

27 Financial Data Schedule

(b) Reports on Form 8-K:
The Company filed a report on Form 8-K dated December 3, 1996 reporting pursuant to items 5 and 7.

____

* Incorporated herein by reference to the same numbered exhibit as filed in the Company's Registration Statement on Form S-11 (File No. 33-91422) filed June 19, 1995.

SIGNATURES

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

SOVRAN SELF STORAGE, INC.

March 28, 1997 By: /s/ David L. Rogers
David L. Rogers,
Chief Financial Officer,

Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Robert J. Attea Robert J. Attea	Chairman of the Board of Directors, Chief Executive Officer and Director	March 28, 1997
/s/ Kenneth F. Myszka Kenneth F. Myszka	President, Chief Operating Officer and Director	March 28, 1997
/s/ David L. Rogers David L. Rogers	Chief Financial Officer	March 28, 1997
/s/ John Burns John Burns	Director	March 28, 1997
/s/ Michael A. Elia Michael A. Elia	Director	March 28, 1997
/s/ Anthony P. Gammie Anthony P. Gammie	Director	March 28, 1997
/s/ Charles E. Lannon Charles E. Lannon	Director	March 28, 1997

<TABLE>

Sovran Self Storage, Inc.
Combined Real Estate and Accumulated Depreciation
(in thousands)
December 31, 1996

<CAPTION>

	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period				
Description	Land	Building, Equipment and Improvements	Building, Equipment and Land Improvements	Land	Building, Equipment and Improvements	Total	Accumulated Depreciation	Date Acquired
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Birmingham I, AL	307	1,415	11	307	1,426	1,733	55	6/26/95
Birmingham II, AL	730	1,725	31	730	1,756	2,486	68	6/26/95
Birmingham III, AL	424	1,506	24	424	1,530	1,954	36	1/16/96
Montgomery, AL	863	2,041	63	863	2,104	2,967	81	6/26/95
Montgomery II, AL	353	1,299	35	353	1,334	1,687	34	1/23/96
Montgomery III, AL	279	1,014	13	279	1,027	1,306	16	5/21/96
Hartford-Metro I, CT	715	1,695	19	715	1,714	2,429	67	6/26/95
Hartford-Metro II, CT	234	861	6	234	867	1,101	35	6/26/95
New Haven, CT	387	1,402	5	387	1,407	1,794	56	6/26/95
Deltona, FL	483	1,752	53	483	1,805	2,288	70	6/26/95
Ft. Lauderdale, FL	1,503	3,619	42	1,503	3,661	5,164	148	6/26/95
Ft. Myers, FL	205	912	24	206	936	1,142	35	12/28/95
Ft. Myers II, FL	412	1,703	28	413	1,731	2,144	56	12/28/95
Ft. Myers III, FL	229	884	27	229	911	1,140	15	5/29/96
Ft. Myers IV, FL	344	1,254	55	344	1,309	1,653	17	6/28/96
Jacksonville I, FL	152	728	17	152	745	897	31	6/26/95
Jacksonville II, FL	326	1,515	44	326	1,559	1,885	61	6/26/95
Jacksonville III, FL	568	2,028	216	568	2,244	2,812	18	8/23/96
Jacksonville IV, FL	436	1,635	22	436	1,657	2,093	16	8/26/96
Jacksonville V, FL	535	2,033	2	535	2,035	2,570	19	8/30/96
Lakeland I, FL	397	1,424	17	397	1,441	1,838	56	6/26/95

Lakeland II, FL	359	1,287	39	359	1,326	1,685	17	6/26/96
Melbourne I, FL	883	2,104	12	883	2,116	2,999	86	6/26/95
Melbourne II, FL	834	2,066	2	834	2,068	2,902	89	6/26/95

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Orlando I, FL	513	1,930	12	513	1,942	2,455	82	6/26/95
Orlando II, FL	1,161	2,755	66	1,162	2,821	3,983	92	9/29/95
Orlando III, FL	314	1,113	60	314	1,173	1,487	5	10/30/96
Pensacola I, FL	632	2,962	28	632	2,990	3,622	117	6/26/95
Pensacola II, FL	244	901	3	244	904	1,148	38	6/26/95
Pensacola III, FL	369	1,358	29	369	1,387	1,756	55	6/26/95
Pensacola IV, FL	244	1,128	14	244	1,142	1,386	44	6/26/95
Pensacola V, FL	226	1,046	19	226	1,065	1,291	41	6/26/95
Pt. St. Lucie, FL	395	1,501	38	395	1,539	1,934	67	6/26/95
Tallahassee I, FL	770	2,734	81	770	2,815	3,585	105	6/26/95
Tallahassee II, FL	204	734	2	204	736	940	29	6/26/95
Tampa I, FL	1,088	2,597	25	1,088	2,622	3,710	104	6/26/95
Tampa II, FL	526	1,958	36	526	1,994	2,520	83	6/26/95
Tampa III, FL	672	2,439	18	672	2,457	3,129	98	6/26/95
Tampa IV, FL	766	1,800	42	766	1,842	2,608	35	3/28/96
West Palm, FL	398	1,035	6	398	1,041	1,439	48	6/26/95
West Palm II, FL	345	1,262	36	345	1,298	1,643	21	5/29/96
Atlanta-Metro I, GA	844	2,021	2	844	2,023	2,867	80	6/26/95
Atlanta-Metro II, GA	302	1,103	4	303	1,107	1,410	44	6/26/95
Atlanta-Metro III, GA	430	1,579	3	430	1,582	2,012	64	6/26/95
Atlanta-Metro IV, GA	423	1,015	8	423	1,023	1,446	41	6/26/95
Atlanta-Metro V, GA	483	1,166	9	483	1,175	1,658	48	6/26/95
Atlanta-Metro VI, GA	308	1,116	29	308	1,145	1,453	45	6/26/95
Atlanta-Metro VII, GA	170	786	4	170	790	960	31	6/26/95
Atlanta-Metro VIII, GA	413	999	5	413	1,004	1,417	41	6/26/95
Atlanta-Metro IX, GA	304	1,118	18	304	1,136	1,440	45	6/26/95
Atlanta-Metro X, GA	256	1,244	0	256	1,244	1,500	51	6/26/95
Augusta I, GA	357	1,296	3	357	1,299	1,656	51	6/26/95
Augusta II, GA	315	1,139	0	315	1,139	1,454	44	6/26/95
Macon I, GA	231	1,081	5	231	1,086	1,317	43	6/26/95
Macon II, GA	431	1,567	16	431	1,583	2,014	45	12/1/95
Savannah, GA	463	1,684	2	463	1,686	2,149	66	6/26/95
Baltimore I, MD	154	555	37	154	592	746	23	6/26/95
Baltimore II, MD	479	1,742	47	479	1,789	2,268	70	6/26/95
Baltimore III, MD	777	2,770	13	777	2,783	3,560	29	7/26/96
Salisbury, MD	164	760	47	164	807	971	31	6/26/95
Boston-Metro I, MA	363	1,679	44	363	1,723	2,086	67	6/26/95
Boston-Metro II, MA	680	1,616	22	680	1,638	2,318	64	6/26/95
New Bedford, MA	367	1,325	27	367	1,352	1,719	52	6/26/95
Springfield, MA	251	917	58	251	975	1,226	13	6/28/96

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Jackson I, MS	343	1,580	8	343	1,588	1,931	61	6/26/95
Jackson II, MS	209	964	15	209	979	1,188	38	6/26/95
Buffalo I, NY	423	1,531	25	426	1,556	1,982	61	6/26/95
Buffalo II, NY	315	745	13	315	758	1,073	29	6/26/95
Middletown, NY	224	808	18	224	826	1,050	32	6/26/95
Rochester I, NY	395	1,404	12	395	1,416	1,811	54	6/26/95
Rochester II, NY	230	847	15	234	862	1,096	35	6/26/95
Rochester III, NY	704	2,496	0	704	2,496	3,200	0	12/20/96
Syracuse I, NY	470	1,712	28	472	1,740	2,212	46	12/27/95
Syracuse II, NY	481	1,559	8	481	1,567	2,048	23	6/5/96
Charlotte, NC	308	1,102	10	308	1,112	1,420	43	6/26/95
Charlotte II, NC	487	1,754	11	487	1,765	2,252	11	9/16/96
Charlotte III, NC	315	1,131	6	315	1,137	1,452	7	9/16/96
Fayetteville, NC	853	3,057	15	853	3,072	3,925	118	6/26/95
Greensboro, NC	444	1,613	27	444	1,640	2,084	63	6/26/95
Raleigh I, NC	649	2,329	44	649	2,373	3,022	90	6/26/95
Raleigh II, NC	321	1,150	1	321	1,151	1,472	44	6/26/95
Cincinnati, OH	557	1,988	11	557	1,999	2,556	21	7/23/96
Cleveland-Metro I, OH	179	836	9	179	845	1,024	33	6/26/95
Cleveland-Metro II, OH	701	1,659	0	701	1,659	2,360	64	6/26/95
Dayton, OH	667	2,379	8	667	2,387	3,054	25	7/23/96
Youngstown, OH	239	1,110	8	239	1,118	1,357	43	6/26/95
Allentown, PA	199	921	12	203	933	1,136	37	6/26/95
Harrisburg I, PA	360	1,641	45	360	1,686	2,046	43	12/29/95
Harrisburg II, PA	627	2,224	21	627	2,245	2,872	57	12/29/95
Pittsburgh, PA	545	1,940	9	545	1,949	2,494	25	6/19/96
Pittsburgh II, PA	627	2,257	8	627	2,265	2,892	19	8/28/96
Sharon, PA	194	912	14	194	926	1,120	38	6/26/95

E. Providence, RI	345	1,268	33	345	1,301	1,646	52	6/26/95
Charleston, SC	416	1,516	3	416	1,519	1,935	61	6/26/95
Charleston II, SC	237	858	53	237	911	1,148	20	3/1/96
Columbia I, SC	268	1,248	0	268	1,248	1,516	49	6/26/95
Columbia II, SC	361	1,331	15	374	1,346	1,720	54	6/26/95
Columbia III, SC	189	719	8	189	727	916	31	6/26/95
Columbia IV, SC	488	1,188	4	488	1,192	1,680	48	6/26/95
Spartanburg, SC	331	1,209	10	331	1,219	1,550	49	6/26/95

Arlington I, TX	442	1,767	7	442	1,774	2,216	34	3/29/96
Arlington II, TX	408	1,662	16	408	1,678	2,086	33	3/29/96
Ft. Worth, TX	328	1,324	27	328	1,351	1,679	26	3/29/96
San Antonio I, TX	436	1,759	11	436	1,770	2,206	34	3/29/96
San Antonio II, TX	289	1,161	12	289	1,173	1,462	23	3/29/96
Alexandria, VA	1,375	3,220	10	1,375	3,230	4,605	123	6/26/95
Newport News, VA	316	1,471	3	316	1,474	1,790	58	6/26/95
Newport News II, VA	442	1,592	25	442	1,617	2,059	41	1/5/96
Norfolk I, VA	313	1,462	22	313	1,484	1,797	58	6/26/95
Norfolk II, VA	278	1,004	2	278	1,006	1,284	40	6/26/95
Richmond, VA	443	1,602	44	443	1,646	2,089	57	8/25/95
Corporate Office	0	68	178	0	246	246	72	1/1/95
	49,561	168,511	2,609	49,591	171,120	220,711	5,457	

	December 31, 1996		December 31, 1995	
Balance at beginning of period		159,461		$ -
Additions during period:				
Acquisitions through foreclosure	-		$ -	
Other acquisitions	58,626		158,698	
Improvements, etc.	2,640		763	
Other (describe)	-	61,266	-	159,461
Deductions during period:				
Cost of real estate sold	-		-	
Equipment disposed	16	16	-	-
Balance at close of period		220,711		$159,461

</TABLE>

EXHIBIT INDEX

3.1(a)* Amended and Restated Articles of Incorporation of the Registrant.

3.1(b) Articles Supplementary to the Articles of Incorporation of the Registrant classifying and designating the Series A Junior Participating Cumulative Preferred Stock. Incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed December 3, 1996.

3.2* Bylaws of the Registrant.

4.1 Shareholder Rights Plan; incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed December 3, 1996.

10.1* Form of Agreement of Limited Partnership of Sovran Acquisition Limited Partnership.

10.2* Form of Non-competition Agreement between the Registrant and Charles E. Lannon.

10.3* Form of Employment Agreement between the Registrant and Robert J. Attea.

10.4* Form of Employment Agreement between the Registrant and Kenneth F. Myszka.

10.5* Form of Employment Agreement between the Registrant and David L. Rogers.

10.6* Sovran Self Storage, Inc. 1995 Award and Option Plan.

10.7* 1995 Sovran Self Storage, Inc. Directors' Option Plan.

10.8* Sovran Self Storage, Inc. Incentive Compensation Plan for Executive Officers.

10.9* Restricted Stock Agreement between the Registrant and David L. Rogers.

10.10* Form of Supplemental Representations, Warranties and Indemnification Agreement among the Registrant and Robert J. Attea, Charles E. Lannon, Kenneth F. Myszka and David L. Rogers.

10.11* Form of Pledge Agreement among the Registrant and Robert J. Attea, Charles E. Lannon, Kenneth F. Myszka and David L. Rogers.

10.12* Form of Indemnification Agreement between the Registrant and certain Officers and Directors of the Registrant.

10.13* Form of Subscription Agreement (including Registration Rights Statement) among the Registrant and subscribers for 422,171 Common Shares.

10.14* Form of Registration Rights and Lock-Up Agreement among the Registrant and Robert J. Attea, Kenneth F. Myszka and David L. Rogers.

10.15* Form of Facilities Services Agreement between the Registrant and Williamsville Properties, Inc.

13 1996 Annual Report to Shareholders. (Except for those portions which are expressly incorporated by reference to the Annual Report on Form 10-K, this exhibit is furnished for the information of the Securities and Exchange Commission and is not deemed to be filed as part of this Annual Report on Form 10-K.)

21 Subsidiary of the Company.
The Company's only subsidiary is Sovran Holdings, Inc.

23 Consent of Independent Auditors

27 Financial Data Schedule

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* Incorporated herein by reference to the same numbered exhibit as filed in the Company's Registration Statement on Form S-11 (File No. 33-91422) filed June 19, 1995.

Exhibit 13

ANNUAL REPORT TO SHAREHOLDERS

Letter to Shareholders

Dear Shareholders:

As we report to you on our first full year of operation as a public company, we focus on growth. Growth is the story of our company this year. It's a story of discipline, focus, and drive- of a company that is tapping the growth potential of the self-storage industry as a whole and of the specific markets that comprise its niche.

The story is framed by the following growth indicators.

- Sovran's property portfolio, expanded by 35%
- Sovran's gross revenues, up 49.5%
- Sovran's same-store net operating income, up by 6.5%, a significant rise
- Sovran's properties' net operating income, up 50%
- Sovran's occupancy rate up to 88.1%

These are the facts of our activity over the past 12 months. To understand their significance for your investment in Sovran Self Storage, we offer the following detail and analysis.

Self-storage is a business that meets a fundamental need, but one that can yield out-of-the-ordinary returns for its investors.

The business consists of providing clean, covered, private space for individuals and businesses to use for storing possessions and inventory. It costs less than one-third as much to build self-storage units than it does to develop other real estate instruments like apartments and office buildings. Conversely, self-storage units typically yield nearly as much income per square foot as other real estate investments. Maintenance for self-storage units is minimal. In short, the fundamentals of the business are simple and straightforward.

Few businesses have perfected the formula for profiting in self-storage management on a large scale and few small companies-presently the Mom & Pop's which comprise 80% of the business in the United States-have managed to leverage their experience and assets into larger, more substantial operations. Sovran is the sixth largest self-storage company in the country. Our REIT peers have, like us, grown and profited in this evolving industry. We believe Sovran is well positioned to take advantage of the favorable fundamentals we've described.

- We've succeeded in keeping operating costs low and increasing same-store net operating income.

- We paid the highest dividend among the top five self-storage REITs. For this reason, Sovran remains an attractive stock likely to continue to attract new capital for future expansion of the business.
- Among the top five companies, Sovran is outstanding for the modest premium at which we traded, just 8.83% over liquidation estimates at year end.
- Sovran was debt-free at year end and is in a position to seize strategic growth opportunities wherever and whenever they present themselves.

The untapped market for self storage is enormous. The industry's consolidation and professionalization will likely bring even greater growth opportunities to companies like Sovran in the years to come.

Given the following key indicators, we would expect such opportunities to be numerous.

The Market. No more than 10% of the population has ever used a self-storage facility according to industry experts; the potential growth of the self-storage market is promising.

The Industry. The top ten self-storage companies operate just over 10% of the 23,000 facilities in the United States. Growth by acquisition, therefore, is likely for the top self-storage REITs.

The Environment. Since socio-economic change drives this business and the pace of change is not likely to diminish, even during recessions, the self-storage industry should grow more than other REIT investments. Marriages, divorces, job changes-any change that prompts a population shift or a personal or business relocation, will trigger the need for self storage.
As a new public company, we are aware of the pitfalls as well as the promises of rapid growth. We have, therefore, strictly adhered to a focused, disciplined strategy geared to achieving

controlled growth with limited risk and long-term gain. It was our strategy for 12 years as a private company; it was our strategy in 1995 when we went public; and it remains our strategy today.

Our strategy for growth can be summed up in the following precepts.

- "Pass" on richly-priced premium property portfolios and seek out well-priced properties in strong markets, both those which are new to Sovran and those in which we already have a presence.

- Cluster properties to achieve economies of scale and management/marketing efficiencies. Consistently seek acquisitions in metropolitan areas with populations in excess of 250,000 where we've already established a foothold. The idea is to "fill in" these markets where

gaps currently exist to achieve optimum operating results for a region.

- Commit our resources to building a presence in new self-storage markets, wherever they are located, to build a high-performing cluster of Sovran facilities in these markets.

- Emphasize due diligence so that our acquisition process remains rigorous and sensible. Do not sacrifice process for product regardless of the appeal of a particular property.

Innovative Acquisition Financing

There is one final element of our growth strategy-a financing mechanism called operating partnership units-that has given us flexibility and leverage in negotiating acquisitions, particularly this past year. We anticipated the usefulness of this mechanism prior to going public, transferring all our properties into a partnership wholly owned by Sovran Self Storage.

In 1996, Sovran made its first use of operating partnership units as "currency" in the purchase of properties. The seller receives the selling price of his property in operating partnership units which are based on the value of Sovran stock, but taxes can be deferred. In this way, the seller earns dividends on the total amount of the purchase proceeds and also benefits from future capital appreciation of Sovran's stock.

Last year, this method of acquiring properties enabled Sovran to negotiate purchases at favorable prices with owners who would otherwise not be inclined to sell because of the tax consequences of more traditional cash transactions.

The key to successfully managing Sovran's growth is its people-300 dedicated employees-and an efficient management process that embraces systems and marketing.

People Make The Difference. Our management expertise is without equal in the industry. We are, in fact, the only self-storage operator to be designated as an Accredited Management Organization by the Institute of Real Estate Management.

Recruiting and Training Sovran "Entrepreneurs". Sovran actively seeks and recruits capable, aggressive, professional, property managers, identified through an intensive interview process and background check. Once selected, new property managers attend an in-depth orientation program that covers Sovran's property and information management systems, personal telephone skills, closing techniques and identification of target marketing opportunities. These initial training sessions are reinforced by ongoing marketing-focused educational programs, one-on-one meetings with district managers, and periodic newsletters addressing company and industry matters.

Motivating Performance. Our training and incentives instill in Sovran managers the drive, ambition and initiative of entrepreneurs who manage Sovran properties as if they were their own. To maximize net operating margins, our managers make decisions at the local level. With the ground-level authority we give them, they can respond to changing market conditions and seize opportunities as they arise.

Performance that achieves these goals and contributes to the bottom line is rewarded by an incentive plan under which managers can earn a percentage of all gross income in excess of targets established annually for each property. In 1996, 95% of our managers earned an incentive bonus. Their individual performance is reflected in the outstanding results your Company achieved for the year.

Process Increases Efficiency and Scope. As we continue to expand our portfolio of properties, Sovran's seasoned management team and our sophisticated information systems and marketing programs--both tested and perfected in our existing markets--allow us to look beyond our traditional geographic boundaries for opportunities compatible with our growth strategy. This management process also permits the seamless integration of new properties into the Sovran family regardless of whether they are already in our established markets or new to Sovran. This was the case with our successful entry last year into the Texas market.

Management Information System Links Properties. Sovran links each property to corporate headquarters through a network of in-store computers and proprietary software. This customized management information system provides the automated processing of billings, collection and reservations, freeing on-site managers to concentrate on building sales and customer relationships. Newly-acquired properties can be linked to the information system quickly. By having such a system up and running, Sovran's unprecedented growth through acquisitions in 1996 did not require the expense of significant additional headquarters' staff nor overburden Sovran's district managers.

An Integrated Marketing Plan Keeps Focus on Growth. The management information system not only serves operational needs, it also provides invaluable marketing data. For example, the system provides information on types of customers-commercial or individual-and length of rental period. This data is used in developing our annual marketing plan for each property. These plans help identify heavily occupied properties where rental rate increases may be appropriate, or trigger targeted marketing initiatives for properties that have excess capacity. While the past year has been remarkable for the growth Sovran has experienced, we anticipate even more growth in the year ahead.

New Facilities; New Markets. Sovran's recently acquired $75 million capital facility should accommodate a continued expansion in 1997.

Operating Margins. While we currently enjoy one of the highest operating margins in the industry, we would expect to exceed our current level of 73% in the coming year through continued upward pressure on rent and aggressive collection practices.

Commercial Tenants. Although we presently have a high percentage of commercial tenants compared to industry averages, we believe we can increase that percentage with the special marketing initiatives currently underway.

Acquisition Over Development. In the immediate future Sovran is likely to favor acquisitions of existing properties over development of new facilities. But, we have the expertise and will capitalize on attractive opportunities to develop properties from scratch when terms and conditions favor this approach. And we expect, in the coming year, to expand several of our existing properties by adding square footage and enhancements.

Our investors should know, however, that the strategy guiding all our growth activity, now and in future years, will always be "controlled growth."

We are pleased by the success of our efforts in our first full public year and we are grateful for the talents and commitment of our entire Sovran team. Clearly, the future is filled with challenge. We think it is also filled with promise and opportunity.

Robert J. Attea
Chairman of the Board and
Chief Executive Officer

Kenneth F. Myszka
President and
Chief Operating Officer

Distribution of Properties as of December 31, 1996

<TABLE>
<CAPTION>

<S>	# of Properties <C>	% <C>	Square Feet <C>	% <C>	# of Units <C>	% <C>
Alabama	6	5.41%	319,925	5.49%	2,437	4.70%
Connecticut	3	2.70%	123,925	2.13%	992	1.91%
Florida	32	28.83%	1,942,445	33.36%	17,687	34.09%
Georgia	15	13.51%	744,012	12.78%	6,309	12.16%
Maryland	4	3.60%	173,669	2.98%	1,977	3.81%
Massachusetts	4	3.60%	157,854	2.71%	1,576	3.04%
Mississippi	2	1.80%	80,675	1.39%	652	1.26%
New York	8	7.21%	393,101	6.75%	3,427	6.60%
North Carolina	7	6.31%	343,601	5.90%	3,650	7.03%
Ohio	5	4.50%	268,280	4.61%	2,303	4.44%
Pennsylvania	6	5.41%	307,996	5.29%	2,648	5.10%
Rhode Island	1	0.90%	37,825	0.65%	397	0.76%
South Carolina	7	6.31%	345,833	5.94%	2,780	5.36%
Texas	5	4.50%	242,720	4.17%	1,870	3.60%
Virginia	6	5.41%	340,739	5.85%	3,184	6.14%
Total	111	100%	5,822,600	100%	51,889	100%

</TABLE>

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the consolidated financial condition and results of operations should be read in conjunction with the financial statements and notes thereto included elsewhere in this report.

The following discussion is based on the financial statements of the Company as of December 31, 1996, December 31, 1995, and for the period from June 26, 1995 (commencement of operations) to December 31, 1995 and the combined statements of Sovran Capital, Inc. and the Sovran Partnerships (the predecessor to the Company) as of December 31, 1994, and for the period from January 1, 1995 to June 25, 1995.

The combined financial statements of Sovran Capital, Inc. and Sovran Partnerships combine the balance sheet data and results of operations of the partnerships that previously owned the properties and the management operations of Sovran Capital, Inc., all of which was contributed to the Company in the formation transactions. Sovran Capital, Inc. and the Sovran Partnerships are considered the predecessor entity to the Company, and the combined financial statements are presented for comparative purposes. The following discussion compares the activities of the Company for the year ended December 31, 1996 with the year ended December 31, 1995 and with the activities of Sovran Capital, Inc. and the Sovran Partnerships for the year ended December 31, 1994.

Results of Operations

Year Ended December 31, 1996 compared to Year Ended December 31, 1995

Rental revenues improved from $21,817,000 for the year ended December 31, 1995 to $32,946,000 for the year ended December 31, 1996, an increase of $11,129,000, or 51%. Of this, $5,056,000 resulted from the acquisition of twenty-nine properties during 1996, $4,934,000 resulted from having the 1995 acquisitions included for a full year of operations, and $1,139,000 resulted from increased occupancy levels and rental rates. Interest and other income remained virtually unchanged at approximately $650,000.

Property operating and real estate tax expense increased $2,963,000 or 48% during the period. Of this, $1,501,000 was incurred by the facilities acquired in 1996, $1,367,000 resulted from the having the 1995 acquisitions included for a full year of operations, and $95,000 additional cost was incurred in the operation of the sixty facilities owned by the Company since January 1, 1995.

General and administrative expenses decreased $266,000 primarily as a result of non-recurring legal, accounting and other professional fees associated with the winding up of partnership activities and the merger and formation transactions.

Interest expense of $1,924,000 in 1996 resulted exclusively from borrowings on the Company's line of credit. The Company had borrowings outstanding of $59,309,000 before paying off the balance with the proceeds of a common stock offering in October 1996. Interest expense in 1995 was $3,399,000 or $1,475,000 higher than in 1996. This was primarily due to the fact that until the Initial Offering in June 1995, the Predecessors had incurred substantial mortgage debt as a means to finance its acquisitions, and paid approximately $3,268,000 to carry that debt through June 1995. Upon completion of the Initial Offering, this mortgage debt was paid in full, and there was only a line of credit borrowing of $5,000,000 outstanding at the end of 1995.

Depreciation and amortization expense increased to $4,583,000 from $3,309,000, primarily as a result of the additional depreciation taken on the $60 million of real estate assets acquired in 1996.

Earnings before interest, taxes, depreciation and amortization increased $8,403,000 or 61% in 1996 as a result of the aforementioned items.

Year Ended December 31, 1995 compared to Year Ended December 31, 1994

Rental revenues improved from $18,091,000 for the year ended December 31, 1994 to $21,817,000 for the year ended December 31, 1995, an increase of $3,726,000, or 21%. Of this, $2,290,000 resulted from the acquisition of twenty-two properties during 1995, $857,000 resulted from having the properties acquired during 1994 included for a full year in the operating results, and an additional $579,000 resulted from increased occupancy levels and rental rates at sites owned for more than one year. Interest and other income increased $218,000, primarily as a result of investing the proceeds of the underwriter's over-allotment option in the last two quarters of 1995.

Property operating and real estate tax expense increased $802,000 or 15% during the period. Of this, $910,000 was a result of absorbing additional expenses from operating the newly acquired properties, which was partially offset by a reduction in costs of $108,000 in the operation of the Company's sites operated for more than one year.

General and administrative expenses increased $246,000 primarily as a result of non-recurring legal, accounting and other professional fees associated with the winding up of partnership activities and the merger and formation transactions.

Interest expense decreased $2,469,000, because on June 25, 1995, all outstanding debt of Sovran Capital, Inc. and the Sovran

Partnerships was paid from the proceeds of the Initial Offering. $5,000,000 was borrowed pursuant to the Company's line of credit, and interest expense of $76,000 was incurred as a result of this indebtedness. On July 25, 1995, the Company used a portion of the exercised underwriter's over-allotment option to repay this borrowing. Upon the purchase of additional properties, the Company again borrowed funds, so that on December 31, 1995, the Company had outstanding indebtedness of $5,000,000.

Earnings before interest, taxes, depreciation and amortization increased from $10,867,000 to $13,763,000, an increase of $2,896,000 or 27%.

Pro Forma Year Ended December 31, 1996 Compared to Pro Forma Year Ended December 31, 1995

On a pro forma basis, assuming the Initial Offering and subsequent common stock offering, the purchase of the twelve Acquisition Properties and the thirty-seven additional acquired properties all had occurred on January 1, 1995, the following comparisons can be made. Rental revenue of $36,805,000 in 1996 was increased by 14% over 1995's revenues of $32,258,000, primarily as a result of aggressive rate increases at the fifty-one sites acquired in 1996 and 1995, and a 2% increase in overall occupancy.

Operating expenses and real estate taxes in 1996 were $10,040,000 as compared to $9,232,000 in 1995, an increase of 8.8%. While cost efficiencies were enjoyed regarding insurance and yellow page advertising, these savings were offset by the Company's paying higher wages to attract professional managers, and start-up costs relating to the acquisition of the forty-nine properties. Despite the increase in expenses, operating margins improved from 71.4% to 72.8% in 1996.

General and administrative costs were determined by the Company's historical costs incurred in the management of 111 properties, and operating as a publicly owned REIT.

Interest expense in both years was determined by applying the non-usage fee associated with the Company's $75 million credit facility. The assumptions in both pro-forma years provided that common shares were sold in a sufficient amount to fund the acquisition of all properties used in the calculations without issuance of debt.

Liquidity and Capital Resources

Capital Resources:

On June 25, 1995 the Company completed its Initial Offering of common shares and received net proceeds of approximately $135,000,000. Simultaneously with this transaction, the Company borrowed $5,000,000 pursuant to a line of credit agreement. The

Company used the net proceeds from the Initial Offering for the repayment of indebtedness, to purchase the Acquisition Properties, payment of costs and fees associated with the

formation and payments to acquire interests owned by certain limited partners in the Sovran Partnerships. In addition, a portion of the net proceeds was allocated to working capital. This was further allocated to certain costs associated with the Initial Offering.

On July 20, 1995, the underwriters exercised their over-allotment option granted in the Initial Offering, and the Company received additional net proceeds of approximately $16,000,000. The $5,000,000 initially borrowed was repaid, and the remaining $11,000,000 was applied to property purchases in the fourth quarter of 1995.

In October 1996, the Company issued and sold another 3,162,500 shares of common stock in a follow-on public offering, resulting in net proceeds of approximately $77 million. These proceeds were used to repay $60 million outstanding on the line of credit, and the remaining cash was used to fund the purchase of self storage facilities in the fourth quarter of 1996 and the first quarter of 1997.

Establishment of Revolving Credit Facility:

In June 1995, the Company entered into an agreement with a financial institution to establish a revolving credit facility for up to $60 million, secured by real estate. At December 31, 1995, the Company had identified and pledged properties sufficient to provide $45 million of such borrowings; at the Company's option, and upon pledging additional properties, the line could have been increased an additional $15 million. Interest on outstanding balances was payable monthly at 260 basis points above LIBOR. The commitment fee was $281,250, and the term of the agreement was for two years.

In August 1996, the terms of the agreement were renegotiated as follows: the rate was reduced to LIBOR plus 190 basis points, the amount and collateral pledged was increased to $75 million, and the agreement was extended through August 1998. An additional commitment fee of $225,000 was paid.

Acquisition and Development Strategy

Since the Initial Offering, the Company used the balance of the proceeds from the underwriter's over-allotment option, the follow-on public offering and borrowings pursuant to the line of credit to acquire properties from unaffiliated storage operators in Virginia, Florida, Georgia, New York, Pennsylvania, Texas, Alabama and Maryland. In 1995, following the Initial Offering, the Company added 8 facilities and 550,000 square feet of storage space to its portfolio. In 1996, 29 facilities comprising 1,490,000 square feet were added, resulting in a total of 111 facilities and 5,800,000 square feet of net rentable storage space owned and operated by the Company.

The Company's external growth strategy is to increase the number of facilities it owns by acquiring suitable facilities in markets in which it already has operations, or to expand in new markets

by acquiring several facilities at once in those new markets. In 1995, this strategy was implemented in new markets by acquiring multiple facilities in Tampa, Florida, Eastern Virginia, Montgomery, Alabama and Harrisburg, Pennsylvania. The Company increased its market presence in Atlanta, Georgia, Western New York, and Pensacola, and Jacksonville, Florida.

In 1996 the Company expanded its presence in Florida, Alabama, New York and Georgia, and entered new markets in Texas and Virginia.

In January 1997, the Company made three major acquisitions totaling $40 million. Nine properties were acquired in Cleveland and Youngstown, Ohio, five properties were acquired in Northern Michigan and three were purchased in San Antonio, Texas. This was consistent with the Company's policy of expanding its presence in existing markets, (Cleveland and Youngstown), and in entering new markets when it can do so with "clustered" purchases of three or more in one market area. (San Antonio - three were added to the two acquired in March 1995, and five were acquired simultaneously in Northern Michigan).

The Company will continue to aggressively pursue the acquisition of quality self storage properties in markets where it already operates, and in strategic new markets where a substantial property base can be quickly established.

The Company also intends to expand and enhance certain of its existing facilities by building additional storage buildings on presently vacant land and by installing climate control and enhanced security systems at selected sites.

REIT Qualification and Distribution Requirements:

As a REIT, the Company is not required to pay federal income tax on income that it distributes to its shareholders, provided that the amount distributed is equal to at least 95% of taxable income. These distributions must be made in the year to which they relate, or in the following year if declared before the Company files its federal income tax return, and if it is paid before the first regular dividend of the following year. The first distribution of 1997 will be applied toward the Company's 1996 distribution requirement.

As a REIT, the Company must derive at least 95% of its total gross income from income related to real property, interest and dividends. In 1995, the Company's percentage of revenue from such sources exceeded 97%, thereby passing the 95% test, and no special measures are expected to be required to enable the Company to maintain its REIT designation.

Inflation

The Company does not believe that inflation has had or will have a direct effect on its operations. Substantially all of the leases at the facilities allow for monthly rent increases, which

provide the Company with the opportunity to achieve increases in rental income as each lease matures

Seasonality

The Company's revenues typically have been higher in the third and forth quarter, primarily because the Company increases its rental rates on most of its storage units at the beginning of May, and to a lesser extent, because self-storage facilities tend to experience greater occupancy during the late spring, summer and early fall months due to the greater incidence of residential moves during these periods. However, the Company believes that its tenant mix, diverse geographic locations, rental structure and expense structure provide adequate protection against undue fluctuations in cash flows and net revenues during off-peak seasons. Thus, the Company does not expect seasonality to affect materially distributions to shareholders.

<TABLE>
SELECTED FINANCIAL DATA
<CAPTION>

(dollars in thousands, except per share data)	Predecessor (a) At or for Year Ended December 31, 1992	1993	1994	For Period from 1/1/95 to 6/25/95	Company For Period from 6/26/95 to 12/31/95	At or for Year Ended 12/31/95
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Operating Data:						
Operating revenues	$11,376	$13,660	$18,530	$9,532	$12,942	$33,597
Earnings (Losses)	(2,377)	(825)	1,836	311	6,744	15,659
Net income per common share	-	-	-	-	0.91	1.88
Dividends declared per common share	-	-	-	-	1.04	2.05
Balance Sheet Data:						
Total Assets	$61,485	$78,918	$82,733	$84,527	$160,437	$235,415
Total Liabilities	$52,244	$64,096	$69,014	$71,311	$10,697	$8,131

(a) The Company was not formed until April 19, 1995, and has no historical results of operations.

All historical results of operations are those of Sovran Capital, Inc. and the Sovran Partnerships.

</TABLE>

SOVRAN SELF STORAGE, INC.

CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except share data)	December 31, 1996	1995
Assets		
Investment in storage facilities:		
Land	$49,591	$36,640
Building and equipment	171,120	122,821
	220,711	159,461
Less: accumulated depreciation	(5,457)	(1,497)
Investments in storage facilities, net	215,254	157,964
Cash and cash equivalents	16,687	732

Accounts receivable	482	297
Prepaid expenses and other assets	2,992	1,444
Total Assets	$235,415	$160,437
Liabilities		
Line of credit	$ -	$5,000
Accounts payable and accrued liabilities	1,197	908
Deferred revenue	1,367	980
Accrued dividends	5,567	3,809
Total Liabilities	$8,131	$10,697
Minority interest	3,655	-
Shareholders' Equity		
Common stock $.01 par value, 100,000 shares authorized, 10,706,671 shares issued and outstanding (7,542,171 at December 31, 1995)	107	75
Preferred stock, 10,000,000 shares authorized, none issued and out-standing, 250,000 shares designated as Series A Junior Participating Preferred Stock, $.01 par value	-	-
Additional paid-in capital	227,719	150,727
Unearned restricted stock	(39)	-
Dividends in excess of net income	(4,158)	(1,062)
Total shareholders' equity	$223,629	$149,740
Total Liabilities and Shareholders' Equity	$235,415	$160,437

See notes to financial statements.

SOVRAN SELF STORAGE, INC. (THE COMPANY) AND
SOVRAN CAPITAL, INC. AND SOVRAN PARTNERSHIPS (THE
PREDECESSORS TO THE COMPANY)

CONSOLIDATED STATEMENTS OF OPERATIONS OF THE COMPANY AND
COMBINED STATEMENTS OF OPERATIONS OF THE PREDECESSORS
<TABLE>
<CAPTION>

	Company		Predecessors	
(dollars in thousands, except per share data)	Year Ended December 31, 1996	June 26, 1995 to December 31, 1995	January 1, 1995 to June 25, 1995	Year Ended December 31, 1994
<S>	<C>	<C>	<C>	<C>
Revenues:				
Rental income	$32,946	$12,557	$9,260	$18,091
Interest and other income	651	385	272	439
Total revenues	33,597	12,942	9,532	18,530
Expenses:				
Property operations & maintenance	6,662	2,533	2,061	4,034
Real estate taxes	2,464	861	708	1,327
General and administrative	2,282	974	1,574	2,302
Interest	1,924	131	3,268	5,868
Depreciation and amortization	4,583	1,699	1,610	3,163
Total expenses	17,915	6,198	9,221	16,694
Net income before minority interest	15,682	6,744	311	1,836
Minority interest	23	-	-	-
Net Income	$15,659	$6,744	$311	$1,836
Earnings per share	$1.88	$0.91		
Common shares used in earnings per-share calculation	8,328,954	7,429,872		
Dividends declared per share	$2.05	$1.04		

See notes to financial statements.
</TABLE>

<TABLE>

SOVRAN CAPITAL, INC. AND SOVRAN PARTNERSHIPS (THE PREDECESSORS TO THE COMPANY)
COMBINED STATEMENTS OF OWNERS' EQUITY
<CAPTION>

(dollars in thousands)	Common Stock Shares	Common Stock	Additional Paid-in Capital	Accumulated Owners Equity	Treasury Stock	Dividend in Excess of Net Income	Total Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance January 1, 1994	400	-	-	$14,897	$(75)	-	$14,822
Cash distributions	-	-	-	(3,477)	-	-	(3,477)
Capital contributions	-	-	-	538	-		538
Net income	-	-	-	1,836	-	-	1,836
Balance December 31, 1994	400	-	-	$13,794	(75)	-	$13,719
Cash distributions	-	-	-	(1,779)	-	-	(1,779)
Cash contributions	-	-	-	965	-	-	965
Net income	-	-	-	311	-	-	311
Balance June 25, 1995	400	$-	$-	$13,291	$(75)	$-	$13,216
	===	======	======	=======	=====	======	=======

</TABLE>

<TABLE>
SOVRAN SELF STORAGE, INC. (the COMPANY)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY
<CAPTION>

(dollars in thousands)	Common Stock Shares	Common Stock	Additional Paid in Capital	Unearned Restricted Stock	Dividend in Excess of Net Income	Total Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance June 26, 1995	-	$-	$-	$-	$-	$-
Issuance of common stock - offering	5,890,000	59	124,273	-	-	124,332
Issuance of common stock - private placement	422,171	4	10,128	-	-	10,132
Issuance of over-allotment shares	750,000	7	16,035	-	-	16,042
Issuance of shares to principal shareholders in exchange for their interest in Sovran Capital, Inc.	480,000	5	291	-	-	296
Net Income	-	-	-	-	6,744	6,744
Dividends	-	-	-	-	(7,806)	(7,806)
Balance December 31, 1995	7,542,171	$75	$150,727	$-	$(1,062)	$149,740
Issuance of common stock	3,162,500	32	76,941	-	-	76,973
Issuance of restricted stock	2,000	-	51	(51)	-	-
Earned portion of restricted stock	-	-	-	12	-	12
Net income	-	-	-	-	15,659	15,659
Dividends	-	-	-	-	(18,755)	(18,755)
Balance December 31, 1996	10,706,671	$107	$227,719	$(39)	$(4,158)	$223,629
	==========	====	========	====	=======	========

See notes to financial statements

</TABLE>

<TABLE>
SOVRAN SELF STORAGE, INC. (THE COMPANY) AND SOVRAN CAPITAL, INC. AND SOVRAN PARTNERSHIPS (THE PREDECESSORS TO THE COMPANY)

CONSOLIDATED STATEMENTS OF CASH FLOWS OF THE COMPANY AND COMBINED STATEMENTS OF CASH FLOWS OF THE PREDECESSORS
<CAPTION>

(dollars in thousands)	Company	Predecessors		
	Year Ended December 31, 1996	June 26, 1995 to December 31, 1995	January 1, 1995 to June 25, 1995	Year Ended December 31, 1994
<S>	<C>	<C>	<C>	<C>
Operating Activities				
Net income	$15,659	$6,744	$311	$1,836
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	4,583	1,699	1,610	3,163
Minority interest	23			
Restricted stock earned	12			
Changes in assets and liabilities:				
Accounts receivable	(145)	(40)	(46)	84
Prepaid expenses and other assets	(182)	37	(849)	(36)
Accounts payable and other liabilities	157	(1,225)	891	339
Deferred revenue	45	(27)	86	42
Net cash provided by operating activities	$20,152	$7,188	$2,003	$5,428
Investing Activities				
Additions to storage facilities	(57,160)	(156,780)	(3,478)	(9,151)
Additions to other assets	(1,986)	(1,185)	-	-
Restricted cash	-	-	138	2,542
Net cash used in investing activities	$(59,146)	$(157,965)	$(3,340)	$(6,609)
Financing Activities				
Net proceeds from sale of common stock	76,973	150,506	-	-
(Prepayments on) proceeds from line of credit draw down	(5,000)	5,000	-	-

Dividends paid	(16,997)	(3,997)	-	-
Minority interest distributions	(27)	-	-	-
Proceeds from issuance of mortgages	-	-	2,821	5,511
Mortgage principal payments	-	-	(1,500)	(1,542)
Capital contributions	-	-	965	538
Cash distributions	-	-	(1,779)	(3,477)
Net cash provided by financing activities	$54,949	$151,509	$507	$1,030
Net increase (decrease) in cash	15,955	732	(830)	(151)
Cash at beginning of period	732	-	1,045	1,196
Cash at end of period	$16,687	$732	$215	$1,045
Supplemental cash flow information				
Cash paid for interest	$1,842	$234	$3,268	$5,869

See notes to financial statements

</TABLE>

SOVRAN SELF STORAGE, INC. (THE COMPANY) AND SOVRAN CAPITAL, INC. AND SOVRAN PARTNERSHIPS (THE PREDECESSORS TO THE COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS OF THE COMPANY AND COMBINED STATEMENTS OF CASH FLOWS OF THE PREDECESSORS

Supplemental cash-flow information for the year ended December 31, 1996
(dollars in thousands)

Storage facilities acquired through the issuance of minority interest in the operating partnership	$ 3,659
Fair value of net liabilities assumed on the acquisition of storage facilities	434

Dividends declared but unpaid were $5,567 at December 31, 1996 and $3,809 at December 31, 1995.

Supplemental cash-flow information for the period from June 26, 1995 to December 31, 1995
(dollars in thousands)

Cash paid for partnership interest	$ 42,865
Cash paid for acquisition properties	45,121
Cash paid to retire partnership mortgages	67,602
Prepayment penalties and closing costs	860
Cash paid for building improvements	332
Cash paid for storage facilities per statement of cash flows	$156,780
Fair value of net liabilities assumed of the partnerships and Sovran Capital, Inc.	2,681
Investment in storage facilities per financial statements	$159,461

Supplemental cash-flow information for the year ended December 31, 1994 and the period ended June 25, 1995 (in thousands):

The balance for proceeds from the issuance of mortgages and the cash used for additions to storage facilities do not include sellers' mortgage obligations assumed by the Sovran partnerships as part of the acquisitions of storage facilities, which totaled $3,408 for the year ended December 31, 1994. Mortgage obligations assumed by the Sovran partnerships from January 1, 1995 to June 25, 1995, totaled $2,100.

Sovran Partnerships entered into a property-swap transaction during 1994, which resulted in the exchange of the properties and their related mortgages payable, as well as the elimination of all the accrued and capitalized costs on the properties exchanged. This transaction was accounted for as an exchange under APB 29; accordingly the resultant economic gain was not recognized. This transaction resulted in a non-cash decrease in the following accounts at December 31, 1994:

Prepaid expenses and other assets	$ 400
Accrued property tax	$ 253
Investments in storage facilities	$ 2,440
Mortgage payable	$ 2,587

See notes to financial statements.

Notes to Consolidated Financial Statements
Sovran Self Storage, Inc.
December 31, 1996

1. Organization

Sovran Self Storage, Inc. (the "Company"), a self administered and self managed real estate investment trust (a REIT), was formed on April 19, 1995 to own and operate self-storage facilities throughout the United States. On June 26, 1995, the Company commenced operations effective with the completion of its initial public offering of 5,890,000 shares (the Offering). The Offering price per share was $23.00, resulting in net proceeds to the Company, after underwriting discount and other expenses, of $124.3 million. On July 25, 1995, the underwriters exercised their over-allotment option granted in connection with the Company's initial public offering and purchased 750,000 shares of the Company's common stock at $23.00 per share, resulting in net proceeds to the Company of approximately $16 million. Additionally, the Company received $10.1 million in proceeds from a private placement of 422,171 shares of its common stock.

Contemporaneously with the closing of the Offering, Sovran Self Storage, Inc. acquired, in a transaction accounted for as a purchase, 62 self-storage facilities (the Original Properties) which had been owned and managed by Sovran Capital, Inc. and the Sovran Partnerships (Predecessors to the company). Purchase accounting was applied to the acquisition of the Original Properties to the extent cash was paid to purchase 100% of the limited-partnership interests in the Sovran Partnerships, prepay outstanding mortgages at the time of acquisition and for related transaction costs. Additionally, the Company acquired on that date 12 self storage properties (the Acquisition Properties) from unaffiliated third parties. The Company has since purchased a total of 37 (29 in 1996 and 8 in 1995) self storage properties from unaffiliated third parties, increasing the total number of self storage properties owned at December 31, 1996 to 111 properties, most of which are in the eastern United States.

On October 1, 1996, the Company completed a public offering of 2,750,000 common shares at $26.00 per share. On October 8, 1996, the over allotment of the public offering of 412,500 common shares was exercised at $26.00 per share. Net of underwriting discounts and offering costs, the Company received approximately $77 million in proceeds from this offering. The net proceeds have been used to repay indebtedness under the line of credit, which was incurred in property acquisitions, and to acquire additional self storage facilities.

2. Summary of Significant Accounting Policies

Basis of Presentation
The Company was formed on April 19, 1995, and commenced operations effective with the completion of the Offering on June 25, 1995. Accordingly, the Company's results of operations are presented from June 26, 1995, the date following the completion of the Offering and the establishment of REIT status, through December 31, 1996.

All of the Company's assets are owned by and all its operations are conducted through, Sovran Acquisition Limited Partnership (the Partnership). Sovran Holdings, Inc., a wholly-owned subsidiary of the Company (the Subsidiary), is the sole general partner; and the Company is a limited partner of the Partnership, and thereby control the operations of the Operating Partnership holding a 97.61% ownership interest therein as of December 31, 1996. The remaining ownership interests in the Operating Partnership (the "Units") are held by certain former owners of assets acquired by the Partnership subsequent to the Offerings. The consolidated financial statements of the Company include the accounts of the Company, the Partnership, and the wholly-owned Subsidiary. All intercompany transactions and balances have been eliminated.

The combined statements of operations for the period ended June 25, 1995 and the year ended December 31, 1994 reflect the assets, liabilities and results of operations of the Sovran Capital, Inc. and the Sovran Partnerships (the Predecessors). Such financial statements have been presented on a combined basis, because the entities were the subject of the business combination described in Note 1. All intercompany transactions and balances have been eliminated.

Cash and Cash Equivalents
The Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

Revenue Recognition
Rental income is recorded when earned. Rental income received prior to the start of the rental period is included in deferred revenue.

Interest and Other Income
Other income consists primarily of interest income, sales of storage-related merchandise (locks and packing supplies) and

commissions from truck rentals.

Investment in Storage Facilities
Storage facilities are recorded at cost. Depreciation is computed using the straight line method over estimated useful lives of forty years for buildings and improvements, and five to twenty years for furniture, fixtures and equipment. Expenditures for significant renovations or improvements which extend the useful life of assets are capitalized. Repair and maintenance costs are expensed as incurred.

Long-Lived Assets
In March 1995, the FASB issued Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of", which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Statement 121 also addresses the accounting for long-lived assets that are expected to be disposed of. The

Company adopted Statement 121 in the first quarter of 1996 and the effect of adoption was not material.

Prepaid Expenses and Other Assets
Included in prepaid expenses and other assets are prepaid expenses and intangible assets. The intangible assets at December 31, 1996, consist primarily of loan acquisition costs of approximately $961, net of accumulated amortization of approximately $194; organizational costs of approximately $46, net of accumulated amortization of approximately $17; and covenants not to compete of $630, net of accumulated amortization of $145. Loan acquisition costs are amortized over the terms of the related debt; organization costs are amortized over 5 years; and the covenants are amortized over the contract periods. Amortization expense was $620 and $202 for the periods ended December 31, 1996 and 1995, respectively.

Income Per Share
Net income per share is calculated using the weighted average number of shares outstanding during the period. In 1996, the impact of outstanding stock options is not materially dilutive.

Minority Interest
The minority interest reflects the outside ownership interest of the limited partners of the Partnership. Amounts allocated to these interest are reflected as an expense in the income statement and increases the Company's liability. Distributions to these partners reduce this liability. At December 31, 1996, minority interest ownership was 139,930 partnership units or 1.29%.

Income Taxes
The Company qualifies as a REIT under the Internal Revenue Code of 1986, as amended, and will generally not be subject to corporate income taxes to the extent it distributes at least 95% of its taxable income to its shareholders and complies with certain other requirements. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Investment in Storage Facilities
The following summarizes activity in storage facilities during the year ended December 31, 1996 and the period from June 26, 1995, to December 31, 1995 (in thousands):

(dollars in thousands)	1996	1995

Cost:		
Beginning balance	$159,461	$ -
Sovran Capital, Inc. & Sovran Partnership		
62 original facilities	-	114,008
Acquisition properties	-	25,603
Property acquisitions	58,626	19,518
Improvements and equipment additions	2,640	332
Dispositions	(16)	-
Ending balance	$220,711	$159,461
Accumulated Depreciation:		
Beginning balance	$ 1,497	$ -
Additions during the year	3,964	1,497
Dispositions	(4)	-
Ending balance	$ 5,457	$ 1,497

4. Line of Credit
The Company maintains a $75 million revolving-credit facility secured by specific storage facilities with a net carrying value of $143 million. At December 31, 1996, the Company had identified and pledged properties sufficient to provide $75 million of such borrowings. Interest on outstanding balances is payable monthly at 190 basis points above LIBOR. The commitment fee was $225,000 and there is a facility fee attached to the line at the following rates: i) .25% if the unused commitment (UC) is less than $30 million, or ii) .375% if UC is greater than $30 million. At December 31, 1996, the Company was at the .375% rate.

The loan agreement related to the line of credit provides for certain restrictive covenants based on net worth and cash flow.

At December 31, 1996, the Company had no balance outstanding ($5 million at December 31, 1995) on the line of credit.

5. Pro Forma Financial Information (Unaudited)
The unaudited pro forma condensed statement of operations for the year ended December 31, 1995 is presented as if the 1996 Offering and the purchase of 12 acquisition properties and the subsequent purchase, in 1995 and 1996, of 37 additional storage facilities occurred at the beginning of 1995. The unaudited pro forma condensed statement of operations for the year ended December 31, 1996 is presented as if the 1996 offering and the acquisition, in 1996, of 29 storage facilities occurred at the beginning of 1996. Such unaudited pro forma information is based upon the historical combined statements of operations of the Company and the predecessors. It should be read in conjunction with the financial statements of the Company and the predecessors and notes thereto. In management's opinion, all adjustments necessary to reflect the effects of these transactions have been made. This unaudited pro forma statement does not purport to

represent what the actual results of operations of the Company would have been assuming such transactions had been completed as set forth above, nor does it purport to represent the results of operations for future periods.

(dollars in thousands except per share data)	Year Ended December 31, 1996	1995
Revenues:		
Rental income	$ 36,805	$ 32,258
Interest and other income	668	672
Total revenues	37,473	32,930
Expenses:		
Property operations & maintenance	7,396	6,840
Real estate taxes	2,644	2,392
General and administrative	2,300	2,300
Interest	281	281
Depreciation and amortization	5,116	5,116
Total Expenses	17,737	16,929
Income before minority interest	19,736	16,001
Minority interest	(255)	(206)

Net income	$ 19,481	$ 15,795
Earnings per share	$ 1.82	$ 1.48
Common shares used in earnings per share calculation	10,706,671	10,706,671

6. Stock Options

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation", which is effective for the Company's 1996 fiscal year. The statement encourages but does not require financial reporting to reflect compensation expense for grants of stock, stock options and other equity instruments to employees based on the fair value of the underlying stock. The Company intends to continue using the measurement prescribed by APB Opinion No. 25 which does not recognize compensation expense because the exercise price of the stock options equals the market price of the underlying stock on the date of grant. SFAS 123 requires companies that choose not to adopt the new fair value accounting rules to disclose proforma net income and earnings per share under the new method. If the accounting provisions of the new statement had been adopted as of the beginning of 1995, the net effect on 1995 and 1996 earnings would have been immaterial. Depending on the future use of stock options, the impact of the accounting provisions in future years may become material and would be disclosed at that time.

The Company has established the 1995 Award and Option Plan (the Plan) for the purpose of attracting and retaining the Company's executive officers and other employees. The options vest ratably over four years, and must be exercised within 10 years from the date of grant. The exercise price for qualified incentive must be at least equal to the fair market value at the date of grant. As of December 31, 1996, options for 276,000 shares had been granted under the Plan. The total options available under the plan is 400,000.

The Company also established the 1995 Outside Directors' Stock Option Plan (the Nonemployee Plan) for the purpose of attracting and retaining the services of experienced and knowledgeable outside directors. The Nonemployee Plan provides for the annual granting of options to purchase 2,500 shares of common stock to each eligible director. Such options vest over a one year period for initial awards and immediately upon subsequent issuances. The total shares reserved under the Nonemployee Plan is 50,000. The exercise price for options granted under the Nonemployee Plan is equal to fair market value at date of grant. As of December 31, 1996, options for 17,500 shares had been granted under the Nonemployee Plan.

The Company has also issued 2,000 shares of restricted stock to employees which vests over a four year period. The fair value of the restricted stock on the date of grant was $25.38.

A summary of the Company's stock option activity and related information for the years ended December 31 follows:

	1996		1995	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding at beginning of year	268,000	$23.00	-	-
Granted	28,000	25.92	274,000	$23.00
Forfeited	(2,500)	23.00	(6,000)	23.00
Outstanding at end of year	293,500	$23.97	268,000	$23.00
Exercisable at end of year	82,000	$23.48	-	-

Exercise prices for options outstanding as of December 31, 1996 ranged from $23.00 to $27.00. The weighted average remaining contractual life of those options is 8.6 years.

7. Shareholder Rights Plan
In November 1996, the Company adopted a Shareholder Rights Plan and declared a dividend distribution of one Right for each outstanding share of common stock. Under certain conditions, each Right may be exercised to purchase one one-thousandth of a share of Series A Junior Participating Preferred Stock at a

purchase price of $75, subject to adjustment. The Rights will be exercisable only if a person or group has acquired 10% or more of the outstanding shares of common stock, or following the commencement of a tender or exchange offer for 10% or more of such outstanding shares of common stock. If a person or group acquires more than 10% of the then outstanding shares of common stock, each Right will entitle its holder to receive, upon exercise, common stock having a value equal to two times the exercise price of the Right. In addition, if the Company is acquired in a merger or other business combination transaction, each Right will entitle its holder to purchase that number of the acquiring Company's common shares having a market value of twice the Right's exercise price. The Company will be entitled to redeem the Rights at $.01 per Right at any time prior to the earlier of the expiration of the Rights in November 2006 or the time that a person has acquired a 10% position. The Rights do not have voting or dividend rights, and until they become exercisable, have no dilutive effect on the Company's earnings.

8. Preferred Stock
The Company has authorized 10,000,000 shares of preferred stock, of which 250,000 shares have been designated as Series A Junior Participating Cumulative Preferred Stock with a $.01 par value. Upon issuance, the Series A Junior Preferred Stock will have certain voting, dividend and liquidation preferences over common stock, as described in the Form 8-K filed December 3, 1996.

9. Supplementary Quarterly Financial Data (Unaudited)
The following is a summary of quarterly results of operations for the fiscal quarters since the consummation of the offering on June 26, 1995:

(dollars in thousands except per share data)	1996 Quarter Ended March 31	June 30	September 30	December 31
Revenues	$6,944	$ 7,960	$9,034	$9,659
Net income	$3,152	$ 3,610	$3,644	$5,253
Per common share (Note 2):				
Net income	$ 0.42	$ 0.48	$ 0.48	$ 0.50

(dollars in thousands except per share data)	June 30*	1995 Quarter Ended September 30	December 31
Revenues	$ 352	$6,343	$6,247
Net income	$ 164	$3,213	$3,367
Per common share (Note 2):			
Net income	$ 0.02	$ 0.44	$ 0.45

(*) Includes results for the period June 26, 1995 (Formation) to June 30, 1995.

10. Commitments and Contingencies
The Company's current practice is to conduct environmental investigations in connection with property acquisitions. At this time, the Company is not aware of any environmental contamination of any of its facilities which individually or in the aggregate would be material to the Company's overall business, financial condition, or results of operations.

As of December 31, 1996, the Company had entered into contracts for the purchase of 17 facilities. These facilities were acquired in January, 1997 for a total cost of $40.6 million.

Report of Independent Auditors

The Board of Directors and Shareholders
Sovran Self Storage, Inc.

We have audited the accompanying consolidated balance sheets of Sovran Self Storage, Inc. as of December 31, 1996 and 1995 and the related consolidated statements of operations, shareholders' equity and cash flows for the year ended December 31, 1996 and the period from June 26, 1995 to December 31, 1995. We have also audited the combined statements of operations, owners' equity and cash flows of Sovran Capital, Inc. and Sovran Partnerships for the period from January 1, 1995 to June 25, 1995 and for the year ended December 31, 1994. These financial statements are the responsibility of the management of Sovran Self Storage, Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sovran Self Storage, Inc. as of December 31, 1996 and 1995, and the consolidated results of its operations and its cash flows for the year ended December 31, 1996 and the period from June 26, 1995 through December 31, 1995, and the combined results of operations and cash flows of Sovran Capital, Inc. and Sovran Partnerships from January 1, 1995, to June 25,

1995, and for the year ended December 31, 1994, in conformity
with generally accepted accounting principles.

Ernst & Young, LLP
Buffalo, New York
February 6, 1997

Corporate Officers and Directors

Officers	Directors
Robert J. Attea (Also Director) Chairman of the Board and Chief Executive Officer	Charles E. Lannon President Strategic Capital, LLC
Kenneth F. Myszka (also Director) President and Chief Operating Officer	John Burns, CPA President Sterling Ltd., Co.
David L. Rogers Chief Financial Officer	Michael A. Elia President and Chief Executive Officer Sevenson Environmental Services, Inc.
	Anthony Gammie Retired Chairman of the Board Bowater Incorporated

Shareholder Information

Corporate Headquarters
5166 Main Street
Williamsville, New York 14221
(716) 633-1850

Registrar and Transfer Agent
American Stock Transfer & Trust Company
40 Wall Street
New York, New York 10005
(718) 921-8200

Annual Meeting
May 13, 1997
1285 Avenue of the Americas
New York, NY
10:00 a.m. (E.D.T.)

Sovran's Web Site
Look for Sovran's web site in the second quarter of 1997.

Form 10-K Report
A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 1996 filed with the Securities and Exchange Commission, will be furnished to shareholders without charge upon written request. Please contact Joan M. Light, (716) 633-1850.

Investor Relations

For more information or to receive
Sovran's quarterly reports, please
contact Christine M. Aguglia
(716) 633-1850.

Independent Auditors
Ernst & Young, LLP
1400 Key Tower, 50 Fountain Plaza
Buffalo, New York 14202
(716) 843-5000

Stock Information

Exchange: New York Stock Exchange
Listing Symbol: SSS

Average Daily Trading Volume: 30,583 shares

The following table sets forth the high and low sales price of the Common Stock on the New York Stock Exchange composite tapes for the period from June 26, 1996 (Formation), to December 31, 1996.

	Range	
Quarter	High	Low
1996 lst	27.5	25
2nd	27.125	24.625
3rd	27	24.625
4th	31.25	25.625

As of December 31, 1996, there were approximately 370 holders of record of the common stock

Exhibit 23

CONSENT OF INDEPENDENT AUDITORS

Consent of Independent Auditors

Board of Directors
Sovran Self Storage, Inc.

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Sovran Self Storage, Inc. of our report dated February 6, 1997, included in the 1996 Annual Report to Shareholders of Sovran Self Storage, Inc.

We also consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-21679) pertaining to the 1995 Award and Option Plan and the 1995 Directors' Stock Option Plan of Sovran Self Storage, Inc. of our reports dated February 6, 1997, with respect to the consolidated financial statements and schedule of Sovran Self Storage, Inc. incorporated by reference or included in the Annual Report (Form 10-K) for the year ended December 31, 1996.

We also consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-08883) of Sovran Self Storage, Inc. and in the related Prospectus of our reports dated February 6, 1997, with respect to the consolidated financial statements and schedule of Sovran Self Storage, Inc. incorporated by reference or included in the Annual Report (Form 10-K) for the year ended December 31, 1996.

ERNST & YOUNG LLP

Buffalo, New York
March 25, 1997

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