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

For the fiscal year ended December 31, 1997

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

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 26, 1998, 12,330,963 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 $364,534,093 (based on the closing price of the Common Stock on the New York Stock Exchange on March 26, 1998).

Exhibit Index is on Pages 12 and 13

DOCUMENTS INCORPORATED BY REFERENCE

1997 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 12, 1998 (Part III).

Part I

Item 1. Business

Sovran Self Storage, Inc.(the "Company") is a self-administered and self managed real estate investment trust ("REIT") which acquires, owns and manages self-storage properties. (The Company's self-storage properties are hereinafter referred to collectively as the "Properties" and individually as a "Property"). The Company was formed on June 26, 1995. As of March 26, 1998 the Company owned and operated 173 self-storage properties consisting of approximately 9.4 million net rentable square feet, situated in 18 states, primarily the Eastern United States and Texas. As of February 28, 1998, the Properties have a weighted average occupancy of 87.1% and a weighted average annual rent per occupied square foot of $7.33. 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 acquisitions of new self-storage properties. Aggressive property management entails increasing rents, increasing occupancy levels, strictly controlling costs, maximizing collections, strategically expanding and improving the Properties and, should economic conditions warrant, developing new properties. The Company believes that there continues 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 application of the Company's management expertise.

The Company was formed to continue the business of its predecessor company which had engaged in the self-storage business since 1985. The Company owns an indirect interest in each of the Properties through a limited partnership (the "Partnership") of which the Company holds in total 96.53% economic and unaffiliated third parties own collectively a 3.47% limited partnership interest. The Partnership owns a 100% fee simple interest in each of the Properties. The Company believes that this structure, commonly known as an umbrella partnership real estate investment trust ("UPREIT"), facilitates the Company's ability to acquire properties by using units of the Partnership as currency in property acquisitions.

The Company was incorporated on April 19, 1995 under Maryland law. The Company's principal executive offices are located at 5166 Main Street, Williamsville, New York 14221, and its telephone number is (716) 633-1850. The Company also maintains a regional office in Atlanta, Georgia.

Industry Overview

The Company believes that self storage facilities offer inexpensive storage space to residential and commercial users. In addition to fully enclosed and secure storage space, some operators, including the Company, also offer outside storage for automobiles, recreational vehicles and boats. The storage sites are usually fenced and well lighted with gates that are either manually operated or automated. Most facilities have a full time manager who resides in an apartment located on the property. Customers have access to their storage area during business hours and in certain circumstances are provided with 24 hour access. Individual storage units are secured by the customer's lock, which may be purchased from the Company, but the customer has control of access to the unit.

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.

According to published data, of the approximately 25,000 facilities in the United States, only 12% are managed by the ten largest operators. The remainder of the 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 factors which are leading to a consolidation in the industry. The Company believes that as a result of this trend, significant growth opportunities exist for operators with proven management systems and sufficient capital resources.

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 because it is slow to react to changing conditions and because of various other factors, including, population growth, increased mobility, expansion of condominium, townhouse and apartment living, and increasing consumer awareness, particularly by commercial users. 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 by providing incentive-based compensation;

- Developing and maintaining an integrated marketing plan for each Property;
- Minimizing maintenance costs; and
- Linking all facilities to a central customized management information system.

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. Each Property Manager is responsible for most operational decisions with respect to his or her Property, including rent charges and maintenance, subject to certain monetary limits. Assistant managers enable Property Managers to have sufficient time to perform marketing functions. Each Property Manager reports to an Area Manager who in turn reports to a Regional Vice President. The Company currently employs four Regional Vice Presidents who primarily focus on marketing and overall supervision of the Area Managers. The Area Managers are responsible for overseeing site operations.

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 Area 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.

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" competing facilities.

The Company's customized computer system performs billing, collections and reservation functions for each Property, and also tracks information used in developing marketing plans regarding occupancy levels, and tenant demographics and histories. The system generates daily, weekly and monthly financial reports for each Property that are immediately transmitted to the Company's principal office each night. The system also requires a Property Manager to input a descriptive 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 principal office to promptly review all such transactions. Late charges are automatically imposed. More sensitive activities such as rental rate changes and unit size or number changes are completed only by Area Managers. The Company's customized management information system permits it to add new facilities to its portfolio with minimal additional overhead expense.

The Company's Regional Vice Presidents, Area Managers and Property Managers are compensated with a base salary and may, in addition, earn incentive compensation. The Company annually establishes a target gross income and net operating income for each Property. As incentive compensation, Property Managers earn a percentage of all gross income in excess of the target level; and Regional Vice Presidents earn a percentage of the combined net operating incomes in excess of the targeted levels for all facilities reporting to them. The Area Managers receive bonuses from the Regional Vice President they work under. This incentive compensation program is not subject to any caps or increment requirements. It is not unusual for any 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 income through increased rental rates.

Environmental and Other Regulations

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 has operated, and intends to continue to operate, in such a manner as to continue to qualify as a REIT under the Internal Revenue Code of 1986 (the Code), but no assurance can be given that it will at all times so qualify. To the extent that the Company continues to qualify as a REIT, it will not be taxed, with certain limited exceptions, on the taxable income that is distributed to its shareholders. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - REIT Qualification and Distribution Requirements" appearing on page 28 of the Company's 1997 Annual Report to Shareholders, submitted herewith as an exhibit and incorporated by reference.

Competition

The primary factors upon which competition in the self-storage industry is based are location, 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 Trust Realty and Storage USA, Inc., 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 interest 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). The Company, however, 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 1996. 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 Line is to be used for development, acquisitions and general corporate purposes. On February 20, 1998, the Company entered into a new $150 million unsecured credit facility which replaces in its entirety the $75 million revolving credit facility. The new facility matures February 2001 and provides for funds at LIBOR plus 1.375%, a savings of 52.5 basis points over the Company's old facility. As a result of the new credit facility, in 1998 the Company will record an extraordinary loss on the extinguishment of debt of $312,000, representing the unamortized financing costs of the revolving credit facility.

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. For additional information regarding borrowings, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" and Note 5 to the Consolidated Financial Statements appearing in the Company's 1997 Annual Report to Shareholders, submitted herewith as an exhibit and incorporated by reference.

Employees

The Company currently employs a total of 460 employees, including 152 Property Managers, 8 Area Managers, 4 Regional Vice Presidents and 260 part time employees. At the Company's headquarters, in addition to the 3 senior executive officers, the Company employs 33 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

At December 31, 1997, the Company, owned 100% fee simple interests in, and operated, a total of 155 Properties, consisting of approximately 8.3 million net rentable square feet, situated in seventeen states in the Eastern and Midwestern United States

and Texas. As of December 31, 1997, the Properties had a weighted average occupancy of 85.11% and a weighted average annual rent per square foot of $7.67. 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 with computerized gates and are well lighted. All but twenty-two 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.

Currently, 141 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 of the Properties to the "Uncle BoB's" trade name.

The table below provides certain information regarding the properties:

<TABLE>
<CAPTION>

Location	Year Built	Sq. Ft.	Uncle BoB's Trade Name	Occupancy at 12/31/97	Acres	Units	Bldgs.	Floors	Mgr. Apt.	Construction
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Alabama										
Birmingham I	1990	37,075	Y	80%	2.7	297	9	1	Y	Masonry/Steel Roof
Birmingham II	1990	52,155	Y	92%	4.7	414	8	1	Y	Masonry/Steel Roof
Montgomery I	1982	75,000	Y	81%	5.0	625	16	1	Y	Masonry/Steel Roof
Birmingham III	1970	72,050	Y	80%	4.3	409	6	1	N	Masonry/Steel Roof
Montgomery II	1984	42,100	Y	93%	2.7	300	10	1	N	Masonry/Steel Roof
Montgomery III	1988	41,550	Y	92%	2.4	392	9	1	Y	Steel Bldg./Steel Roof
Connecticut										
New Haven	1985	36,000	Y	96%	3.9	340	5	1	N	Masonry Wall/Steel Roof
Hartford-Metro I	1988	47,650	Y	96%	10.0	339	10	1	N	Steel Bldg./Steel Roof
Hartford-Metro II	1992	40,275	Y	95%	6.0	313	7	1	N	Steel Bldg./Steel Roof
Florida										
Lakeland l	1985	45,725	Y	94%	3.5	444	11	1	Y	Masonry Wall/Steel Roof
Tallahassee I	1973	149,600	Y	82%	18.7	730	21	1	Y	Masonry Wall/Tar & Gravel Roof
Tallahassee II	1975	43,600	Y	98%	4.0	236	7	1	Y	Masonry Wall/Tar & Gravel Roof
Port St. Lucie	1985	60,000	Y	77%	4.0	599	12	1	N	Steel Bldg./Steel Roof
Deltona	1984	60,000	Y	84%	5.0	452	5	1	Y	Masonry Wall/Shingle Roof
Jacksonville I	1985	40,000	Y	93%	2.7	296	14	1	Y	Masonry Wall/Tar & Gravel Roof
Orlando I	1988	53,875	Y	90%	2.8	603	3	2	Y	Steel Bldg./Steel Roof
Ft. Lauderdale	1985	103,000	Y	91%	7.6	646	7	1	Y	Steel Bldg./Steel Roof
West Palm l	1985	49,000	Y	84%	3.2	412	6	1	N	Steel Bldg./Steel Roof
Melbourne I	1986	61,787	Y	95%	8.3	605	11	1	Y	Masonry Wall/Shingled Roof
Pensacola I	1983	105,127	Y	80%	7.5	976	13	1	Y	Steel Bldg./Steel Roof
Pensacola II	1986	57,355	Y	88%	3.4	509	9	1	Y	Steel Bldg./Steel Roof
Melbourne II	1986	55,755	Y	93%	3.4	657	11	1	N	Steel Bldg./Steel Roof
Jacksonville II	1987	53,225	Y	100%	4.4	465	11	1	Y	Masonry/Steel Roof
Pensacola III	1986	63,250	Y	81%	6.1	510	12	1	N	Steel Bldg./Steel Roof
Pensacola IV	1990	39,825	Y	91%	2.7	280	9	1	Y	Masonry/Steel Roof
Pensacola V	1990	38,850	Y	66%	2.6	324	4	1	Y	Masonry/Steel Roof
Tampa I	1989	60,202	Y	93%	3.3	889	6	1	N	Masonry/Steel Roof
Tampa II	1985	55,911	Y	86%	2.9	794	10	1	N	Masonry/Steel Roof
Tampa III	1988	45,507	Y	91%	2.2	689	14	1	N	Masonry/Steel Roof

Orlando II	1986	135,000	Y	74%	8.5	1,359	20	1	Y	Masonry Wall/Steel Roof
Ft. Myers I	1988	28,068	Y	78%	1.1	272	6	2	Y	Steel Bldg./Steel Roof
Ft. Myers II	1991/94	41,728	Y	81%	3.2	602	6	1	Y	Masonry/Steel Roof
Tampa IV	1985	60,675	Y	77%	4.0	633	10	1	Y	Masonry/Steel Roof
West Palm II	1986	33,120	Y	89%	2.3	395	9	1	Y	Masonry/Steel Roof
Ft. Myers III	1986	35,435	Y	84%	2.4	261	9	1	Y	Masonry/Steel Roof
Lakeland II	1988	41,860	Y	96%	4.0	446	9	1	N	Masonry Wall/Steel Roof
Ft. Myers IV	1987	60,000	Y	94%	4.5	289	4	1	Y	Masonry/Steel Roof
Jacksonville III	1987	102,500	Y	78%	5.9	786	13	1	Y	Masonry Wall/Shingle Roof
Jacksonville IV	1985	43,865	Y	83%	2.7	527	7	1	Y	Steel Bldg./Steel Roof

Jacksonville V	1987/92	55,400	Y	97%	2.9	514	13	2	Y	Steel Bldg./Masonry Wall/Steel Roof
Orlando III	1975	60,000	Y	89%	3.2	487	8	2	N	Masonry Wall/Steel Roof
Orlando IV	1984	37,372	N	90%	2.8	341	6	1	Y	Steel Bldg/Steel Roof
Delray I-Mini	1969	50,395	Y	99%	3.5	495	3	1	Y	Masonry Wall/Concrete Roof
Delray II-Safeway	1980	71,218	Y	94%	4.3	774	17	1	Y	Masonry Wall/Concrete Roof
Georgia										
Savannah	1981	58,781	Y	82%	5.4	527	11	1	Y	Masonry Wall/Steel Roof
Atlanta-Metro I	1988	69,075	Y	81%	3.9	539	5	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro II	1988	45,100	Y	82%	3.9	375	6	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro III	1988	55,475	Y	84%	5.3	483	9	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro IV	1989	41,724	Y	92%	3.5	304	7	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro V	1988	38,082	Y	84%	4.2	372	3	1	Y	Masonry Wall/Tar & Gravel Roof
Atlanta-Metro VI	1986	51,375	Y	79%	3.6	458	7	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro VII	1981	43,400	Y	77%	2.5	324	9	2	Y	Masonry Wall/Tar & Gravel Roof
Atlanta-Metro VIII	1975	41,400	Y	85%	3.3	452	6	2	Y	Masonry Wall/Tar & Gravel Roof
Augusta I	1988	52,300	Y	85%	4.0	407	13	1	Y	Steel Bldg./Steel Roof
Macon I	1989	40,700	Y	92%	3.2	356	14	1	Y	Steel Bldg./Steel Roof
Augusta II	1987	45,700	Y	87%	3.5	377	4	1	Y	Masonry Wall/Steel Roof
Atlanta-Metro IX	1988	56,725	Y	81%	4.6	409	6	1	Y	Steel Bldg./Steel Roof
Atlanta-Metro X	1988	45,425	Y	88%	6.8	391	9	1	N	Steel Bldg./Steel Roof
Macon II	1989/94	58,750	Y	88%	14.0	535	11	1	Y	Steel Bldg./Steel Roof
Savannah II	1988	50,975	N	75%	2.6	484	8	1	Y	Masonry Wall/Steel Roof
Atlanta-Alpharetta	1994	80,265	N	76%	5.8	555	8	1&2	Y	Steel Bldg./Steel Roof
Atlanta-Marietta	1996	59,450	N	95%	6.0	451	8	1&2	Y	Steel Bldg./Steel Roof
Atlanta-Doraville	1995	67,275	N	90%	4.9	632	8	1&2	Y	St&Masonry Bldg/Steel Roof
Louisiana										
Baton Rouge-1	1982	72,100	N	97%	2.5	419	12	1	Y	Masonry Wall/Metal Roof
Baton Rouge-2	1985	44,735	N	98%	2.8	443	9	1	N	Masonry Wall/Steel Roof
Massachusetts										
New Bedford	1982	41,980	Y	90%	3.4	408	7	1	Y	Steel Bldg./Steel Roof
Springfield	1986	41,339	Y	80%	4.7	337	5	1	N	Masonry Wall/Shingle Roof

Boston-Metro I	1980	37,575	Y	92%	2.0	403	3	2	N	Masonry Wall/Tar & Gravel Roof
Boston-Metro II	1986	36,900	Y	97%	3.6	428	8	2	N	Masonry Wall/Tar & Gravel Roof
Maryland										
Salisbury	1979	34,350	Y	70%	3.0	418	10	1	N	Masonry Wall/Tar & Gravel Roof
Baltimore I	1984	22,233	Y	85%	1.9	347	2	3	N	Masonry Wall/Shingled Roof
Baltimore II	1988	63,915	Y	93%	2.2	526	2	4	Y	Masonry Wall/Tar & Gravel Roof
Baltimore III	1990	53,171	Y	80%	3.1	686	8	1	Y	Steel Bldg./Steel Roof
Michigan										
Grand Rapids	1976	57,900	N	85%	5.4	526	9	1	Y	Masonry Wall/Steel Roof
Grand Rapids II	1983	32,300	N	83%	8.0	296	6	1	N	Masonry & Steel Walls
Kalamazoo	1978	58,214	Y	78%	11.6	607	14	1	Y	Steel Bldg/Steel & Shingle Roof
Lansing	1987	43,943	Y	87%	3.8	426	9	1	Y	Steel Bldg/Steel Roof
Holland	1978	95,088	Y	76%	13.6	676	18	1	Y	Masonry Wall/Steel Roof
Mississippi										
Jackson I	1990	41,900	Y	92%	2.0	344	6	1	Y	Masonry/Steel Roof
Jackson II	1990	38,775	Y	86%	2.1	308	9	1	Y	Masonry/Steel Roof
North Carolina										
Charlotte	1986	37,051	Y	86%	2.9	337	6	1	Y	Steel Bldg./Steel Roof
Fayetteville	1980	92,800	Y	66%	6.2	1,1601	2	1	Y	Steel Bldg./Steel Roof
Greensboro	1986	42,900	Y	66%	3.4	415	5	1	Y	Steel Bldg./Mas. Wall/Steel Roof
Raleigh I	1985	57,750	Y	84%	5.0	569	8	2	Y	Steel Bldg./Steel Roof
Raleigh II	1985	33,150	Y	77%	2.5	329	8	1	Y	Steel Bldg./Steel Roof
Charlotte II	1995	48,750	Y	58%	5.6	494	7	1	Y	MasonryWall/Steel Roof
Charlotte III	1995	31,200	Y	73%	2.9	346	6	1	Y	MasonryWall/Steel Roof
Greensboro1	1995	32,198	N	83%	1.0	312	7	1	N	Metal Wall/Metal Roof
Greensboro2	1997	9,755	N	74%	2.5	92	2	1	N	Metal Wall/Metal Roof
New York										
Middletown	1988	30,000	Y	95%	2.8	281	4	1	N	Steel Bldg./Steel Roof
Buffalo I	1981	61,200	Y	93%	5.1	507	10	1	Y	Steel Bldg./Steel Roof
Rochester I	1981	43,000	Y	82%	2.9	407	5	1	Y	Steel Bldg./Steel Roof
Rochester II	1980	39,000	Y	88%	3.5	250	9	1	N	Masonry Wall/Shingle Roof
Buffalo II	1984	53,525	Y	96%	6.2	430	12	1	Y	Steel Bldg./Steel Roof
Syracuse I	1987	70,200	Y	83%	7.5	767	16	1	N	Steel Bldg./Steel Roof
Syracuse II	1983	54,590	Y	78%	3.6	422	10	1	Y	Steel Bldg./Shingled Roof
Rochester III	1990	51,826	Y	92%	2.7	421	1	1	N	Masonry Wall/Shingle Roof
Ohio										
Youngstown	1980	48,825	Y	94%	5.8	380	5	1	Y	Steel Bldg./Steel Roof
Cleveland- I	1980	48,250	Y	73%	6.4	359	9	1	Y	Steel Bldg./Steel Roof
Cleveland II	1987	60,500	Y	86%	4.8	453	4	1	Y	Steel Bldg./Steel Roof
Cincinnati	1988	48,830	Y	94%	2.8	496	7	1	Y	Masonry Wall/Steel Roof
Dayton	1988	61,875	Y	87%	3.6	615	8	1	Y	Masonry Wall/Steel Roof
Youngstown II	1988	55,525	N	69%	3.9	497	7	1	N	Masonry Wall/Steel Roof

Akron	1990	37,720	Y	90%	3.4	296	12	1	Y	Masonry Wall/Steel Roof
Cleveland III	1986	68,110	Y	89%	3.4	570	12	1	Y	Masonry Wall/Steel Roof
Cleveland IV	1978	65,125	Y	97%	3.5	554	5	1	Y	Masonry Wall/Steel Roof

Cleveland V	1979	73,450	Y	89%	3.1	646	9	1&2	Y	Masonry Wall/Rolled Roof
Cleveland VI	1979	46,625	Y	91%	2.6	361	8	1	Y	Masonry Wall/Concrete Roof
Cleveland VII	1977	69,750	Y	92%	4.3	628	13	1	Y	Masonry Wall/Steel Roof
Cleveland VIII	1970	45,275	Y	80%	5.7	395	6	1	Y	Masonry Wall/Steel Roof
Cleveland IX	1982	53,748	Y	80%	4.4	291	5	1	Y	Masonry Wall/Steel Roof
Cleveland X	1989	47,050	Y	84%	5.8	380	6	1	N	Metal Wall/Metal Roof
Pennsylvania										
Allentown	1983	30,000	Y	98%	6.3	277	7	1	Y	Masonry Wall/Shingle Roof
Sharon	1975	37,200	Y	91%	3.0	314	5	1	Y	Steel Bldg./Steel Roof
Harrisburg I	1983	48,746	Y	92%	4.1	475	9	1	Y	Masonry Wall/Steel Roof
Harrisburg II	1985	58,800	Y	89%	9.2	299	10	1	Y	Masonry Wall/Steel Roof
Pittsburgh	1990	57,375	Y	87%	3.4	551	6	1	Y	Steel Bldg./Steel Roof
Pittsburgh II	1983	75,875	Y	84%	4.8	732	4	2	Y	Masonry Wall/Shingled Roof
Harrisburg 111	1984	63,740	N	95%	4.1	614	9	1	Y	Masonry Wall/Metal Roof
Rhode Island										
Providence	1984	37,825	Y	84%	3.7	397	7	1	Y	Masonry Wall/Tar & Gravel Roof
South Carolina										
Charleston I	1985	51,445	Y	87%	3.3	421	11	1	Y	Steel Bldg./Mas. Wall/Steel Roof
Columbia I	1985	47,650	Y	69%	3.3	410	7	1	Y	Steel Bldg./Steel Roof
Columbia II	1987	59,000	Y	81%	6.0	464	8	1	N	Steel Bldg./Steel Roof
Columbia III	1989	41,200	Y	77%	3.5	354	5	2	Y	Steel Bldg./Steel Roof
Columbia IV	1986	56,000	Y	83%	5.6	446	7	1	Y	Steel Bldg./Steel Roof
Spartanburg	1989	49,500	Y	83%	3.6	350	6	1	Y	Steel Bldg./Steel Roof
Charleston II	1985	41,038	Y	96%	2.2	335	10	1	Y	Masonry Wall/Steel Roof
Texas										
Arlington I	1987	45,965	Y	92%	2.3	411	7	1	Y	Masonry Wall/Steel Roof
Arlington II	1986	67,100	Y	75%	3.8	330	11	1	Y	Masonry Wall/Steel Roof
Ft. Worth	1986	40,825	Y	86%	2.4	356	3	1	Y	Masonry Wall/Asphalt Roof
San Antonio I	1986	48,280	Y	84%	3.9	486	12	1	Y	Masonry Wall/Steel Roof
San Antonio II	1986	40,550	Y	81%	1.9	287	7	1	Y	Masonry Wall/Steel Roof
San Antonio lll	1981	48,782	Y	84%	2.6	495	5	1	Y	Masonry Wall/Steel Roof
Universal	1985	35,100	Y	87%	2.4	427	8	1	Y	Masonry Wall/Steel Roof
San Antonio IV	1995	44,600	Y	67%	5.4	372	11	1	Y	Steel Bldg/Steel Roof
Houston1	1993/95	69,650	Y	70%	6.4	543	5	1	Y	Metal Wall/Steel Roof
Houston-2	1995	61,861	Y	86%	6.3	541	1	1	Y	Metal Wall/Steel Roof
Houston 3	1995	35,600	Y	69%	1.8	332	1	1	Y	Metal Wall/Steel Roof
Dallas-Skillman	1975	121,707	Y	85%	5.9	1,111	8	1&2	Y	Masonry Wall/Steel Roof
Dallas-Cent.	1977	104,303	Y	84%	6.7	1,125	8	1&2	Y	Masonry Wall/Steel Roof
Dallas-Samuell	1975	79,056	Y	93%	3.8	796	6	1&2	Y	Masonry Wall/Steel Roof

Dallas-Hargrove	1975	71,938	Y	88%	3.1	747	5	1&2	Y	Masonry Wall/Steel Roof
Houston-4	1984	75,500	N	85%	4.1	670	9	1	Y	Metal Wall/Metal Roof
Virginia										
Newport News I	1988	52,944	Y	93%	3.2	451	7	1	Y	Steel Bldg./Steel Roof
Alexandria	1984	77,310	Y	78%	3.2	1,105	4	2	Y	Masonry Wall/Tar & Gravel Roof
Norfolk I	1984	49,950	Y	89%	2.7	357	7	1	Y	Steel Bldg./Steel Roof
Norfolk II	1989	45,375	Y	91%	2.1	363	4	1	Y	Masonry Wall/Steel Roof
Richmond	1987	52,035	Y	84%	2.7	524	5	1	Y	Masonry Wall/Steel Roof
Newport News II	1988/93	63,125	Y	95%	4.7	384	8	1	Y	Steel Bldg./Steel Roof
Lynchburg1	1982	47,200	Y	85%	5.3	429	10	1	Y	Masonry Wall/Steel Roof
Lynchburg-2	1985	41,250	Y	66%	2.3	380	4	1	Y	Masonry Wall/Steel Roof
Lynchburg 3	1987	22,000	Y	81%	1.5	182	3	1	N	Masonry Wall/Metal Roof
Christiansburg	1985/90	36,673	Y	84%	3.2	327	6	1	Y	Masonry Wall/Metal Roof
Chesapeake	1988/95	35,901	Y	81%	12.0	271	7	1	Y	Metal Wall/Steel Roof
Danville	1988	49,776	Y	81%	3.2	408	8	1	N	Steel Wall/Metal Roof

Total for all Properties 8,299,783 666. 1,240

73,864

Average for all Properties 85.33%
Weighted Average 85.11%

</TABLE>

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 and on September 24, 1997, a second amended complaint was filed, the complaint alleges, among other things, breach of fiduciary duty, breach of contract, breach of general partnership/joint venture arrangement, fraud and deceit, breach of duty of good faith and other causes of action including a declaratory judgment as to Mr. Amsdell's continuing interest in the Company. 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. Messers. 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.

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 fiscal years.

Quarter	High	Low
1996		
1st	27.5	25
2nd	27.125	24.625
3rd	27	24.625
4th	31.25	25.625
1997		
1st	32	29.375
2nd	30.875	28
3rd	31.75	28.625
4th	32.4375	28.6875

As of March 24, 1998, there were approximately 388 holders of record of the Company's Common Stock.

As reflected in the table below, the Company has paid quarterly dividends to its shareholders since the Initial Offering.

For Federal Income Tax purposes distributions to shareholders are treated as ordinary income, capital gain, return of capital or a combination thereof. Distributions to shareholders for 1997 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	$0.520 per share
4th Quarter, 1996	$0.520 per share

1st Quarter, 1997	$0.520 per share
2nd Quarter, 1997	$0.520 per share
3rd Quarter, 1997	$0.540 per share
4th Quarter, 1997	$0.540 per share

Item 6. Selected Financial Data

The information required is incorporated by reference to the Company's 1997 Annual Report to Shareholders on page 9.

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

The information required is incorporated by reference to the Company's 1997 Annual Report to Shareholders on pages 24 to 26.

Item 8. Financial Statements and Supplementary Data

The information required is incorporated by reference to the Company's 1997 Annual Report on pages 10 to 23.

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 is incorporated by reference to "Election of Directors" and "Executive Officers of the Company"

in the Company's Proxy Statement for the Annual Meeting of Shareholders of the Company to be held on May 12, 1998. Information concerning the Company's other executive officers can be found in Part I of this report.

Item 11. Executive Compensation

The information required 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 May 12, 1998.

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 12, 1998.

Item 13. Certain Relationships and Related Transactions

The information required herein is incorporated by reference to "Certain Transactions" in the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on May 12, 1998.

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 by reference.
   (i) Consolidated Balance Sheets for Years Ended December 31, 1997 and 1996.
   (ii) Consolidated Statements of Operations of the Company and Combined Statements of Operations of the

Predecessors for Years Ended December 31, 1997 and 1996, January 1, 1995 to June 25, 1995 and June 26, 1995 to December 31, 1995.

(iii) Combined Statement of Owners' Equity of the Predecessor/Consolidated Statements of Shareholders' Equity of the Company for January 1, 1995 to June 25, 1995 and June 26, 1995 to December 31, 1997.

(iv) Consolidated Statements of Cash Flows for Years Ended December 31, 1997 and 1996, January 1, 1995 to June 25, 1995 and June 26, 1995 to December 31, 1995.

(v) Selected Financial Data.

2. The following financial statement Schedule as of the period ended December 31, 1997 is included in this Annual Report on From 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 8A 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 8A 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 Non-competition Agreement between the Registrant and Robert J. Attea.

10.4* Form of Non-competition Agreement between the Registrant and Kenneth F. Myszka.

10.5* Form of Non-competition 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 Incentive Compensation Plan for Executive Officer.

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, Charles E. Lannon, Kenneth F. Myszka and David L. Rogers.

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

13 1997 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) Report on Form 8-K:

The Company filed a report on Form 8-K dated October 24, 1997 reporting pursuant to items 5 and 7.

* Incorporated by reference to the same numbered exhibits 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 27, 1998 By:/s/ David L. Rogers
David L. Rogers,
Chief Financial Officer,
Secretary, Chief Financial
Officer

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 Chairman of the March 27, 1998
Robert J. Attea Board of Directors,
Chief Executive
Officer and Director
(Principal Executive
Officer)

/s/Kenneth F. Myszka President, Chief March 27, 1998
Kenneth F. Myszka Operating Officer
and Director

/s/David L. Rogers Chief Financial March 27, 1998
David L. Rogers Officer (Principal
Financial and
Accounting Officer)

/s/John Burns Director March 27, 1998
John Burns

/s/Michael A. Elia Director March 27, 1998
Michael A. Elia

/s/Anthony P. Gammie Director March 27, 1998
Anthony P. Gammie

/s/Charles E. Lannon Director March 27, 1998
Charles E. Lannon

<TABLE> Sovran Self Storage, Inc. Schedule III
Combined Real Estate and Accumulated Depreciation
(in thousands)
December 31, 1997
<CAPTION>

		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period				
Description	ST	Land	Building, Equipment and Improvements	Building, Equipment and Land Improvements	Land	Building Equipment and Improvements	Total	Accumulated Depreciation	Acquired
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Charleston I	SC	416	1,516	12	416	1,528	1,944	102	6/26/95
Lakeland I	FL	397	1,424	33	397	1,457	1,854	96	6/26/95
Charlotte	NC	308	1,102	42	308	1,144	1,452	71	6/26/95
Tallahassee I	FL	770	2,734	222	770	2,956	3,726	180	6/26/95
Youngstown	OH	239	1,110	69	239	1,179	1,418	73	6/26/95
Cleveland-Metro I	OH	179	836	144	179	980	1,159	57	6/26/95
Cleveland-Metro II	OH	701	1,659	8	701	1,667	2,368	107	6/26/95
Tallahassee II	FL	204	734	31	204	765	969	48	6/26/95
Pt. St. Lucie	FL	395	1,501	97	395	1,598	1,993	114	6/26/95
Deltona	FL	483	1,752	157	483	1,909	2,392	119	6/26/95
Middletown	NY	224	808	38	224	846	1,070	55	6/26/95
Buffalo I	NY	423	1,531	435	497	1,892	2,389	104	6/26/95
Rochester I	NY	395	1,404	17	395	1,421	1,816	89	6/26/95
Salisbury	MD	164	760	63	164	823	987	52	6/26/95
New Bedford	MA	367	1,325	31	367	1,356	1,723	86	6/26/95
Fayetteville	NC	853	3,057	59	853	3,116	3,969	197	6/26/95
Allentown	PA	199	921	65	203	982	1,185	63	6/26/95
Jacksonville I	FL	152	728	64	152	792	944	53	6/26/95
Columbia I	SC	268	1,248	5	268	1,253	1,521	83	6/26/95
Rochester II	NY	230	847	87	234	930	1,164	60	6/26/95
Savannah I	GA	463	1,684	58	463	1,742	2,205	112	6/26/95
Greensboro	NC	444	1,613	30	444	1,643	2,087	107	6/26/95
Raleigh I	NC	649	2,329	75	649	2,404	3,053	152	6/26/95
New Haven	CT	387	1,402	14	387	1,416	1,803	92	6/26/95
Atlanta-Metro I	GA	844	2,021	58	844	2,079	2,923	133	6/26/95
Atlanta-Metro II	GA	302	1,103	9	303	1,111	1,414	74	6/26/95

Buffalo II	NY	315	745	110	315	855	1,170	50	6/26/95
Raleigh II	NC	321	1,150	15	321	1,165	1,486	74	6/26/95
Columbia II	SC	361	1,331	42	374	1,360	1,734	91	6/26/95
Columbia III	SC	189	719	26	189	745	934	52	6/26/95
Columbia IV	SC	488	1,188	12	488	1,200	1,688	79	6/26/95
Atlanta-Metro III	GA	430	1,579	18	430	1,597	2,027	106	6/26/95
Orlando I	FL	513	1,930	75	513	2,005	2,518	137	6/26/95
Spartanburg	SC	331	1,209	25	331	1,234	1,565	82	6/26/95
Sharon	PA	194	912	37	194	949	1,143	64	6/26/95
Ft. Lauderdale	FL	1,503	3,619	105	1,503	3,724	5,227	248	6/26/95
West Palm I	FL	398	1,035	40	398	1,075	1,473	80	6/26/95
Atlanta-Metro IV	GA	423	1,015	10	423	1,025	1,448	68	6/26/95
Atlanta-Metro V	GA	483	1,166	35	483	1,201	1,684	77	6/26/95
Atlanta-Metro VI	GA	308	1,116	31	308	1,147	1,455	76	6/26/95
Atlanta-Metro VII	GA	170	786	49	170	835	1,005	54	6/26/95
Atlanta-Metro VIII	GA	413	999	22	413	1,021	1,434	68	6/26/95
Baltimore I	MD	154	555	38	154	593	747	40	6/26/95
Baltimore II	MD	479	1,742	85	479	1,827	2,306	119	6/26/95
Augusta I	GA	357	1,296	77	357	1,373	1,730	87	6/26/95
Macon I	GA	231	1,081	7	231	1,088	1,319	72	6/26/95
Melbourne I	FL	883	2,104	33	883	2,137	3,020	144	6/26/95
Newport News	VA	316	1,471	13	316	1,484	1,800	98	6/26/95
Pensacola I	FL	632	2,962	96	632	3,058	3,690	199	6/26/95
Augusta II	GA	315	1,139	71	315	1,210	1,525	73	6/26/95
Hartford-Metro I	CT	715	1,695	25	715	1,720	2,435	113	6/26/95
Atlanta-Metro IX	GA	304	1,118	49	304	1,167	1,471	77	6/26/95
Alexandria	VA	1,375	3,220	46	1,375	3,266	4,641	205	6/26/95
Pensacola II	FL	244	901	6	244	907	1,151	63	6/26/95
Melbourne II	FL	834	2,066	26	834	2,092	2,926	148	6/26/95
Hartford-Metro II	CT	234	861	7	234	868	1,102	59	6/26/95
Atlanta-Metro X	GA	256	1,244	4	256	1,248	1,504	85	6/26/95
Norfolk I	VA	313	1,462	27	313	1,489	1,802	97	6/26/95
Norfolk II	VA	278	1,004	12	278	1,016	1,294	67	6/26/95
Birmingham I	AL	307	1,415	33	307	1,448	1,755	92	6/26/95
Birmingham II	AL	730	1,725	38	730	1,763	2,493	114	6/26/95
Montgomery I	AL	863	2,041	78	863	2,119	2,982	137	6/26/95
Jacksonville II	FL	326	1,515	49	326	1,564	1,890	103	6/26/95
Pensacola III	FL	369	1,358	42	369	1,400	1,769	90	6/26/95
Pensacola IV	FL	244	1,128	32	244	1,160	1,404	75	6/26/95
Pensacola V	FL	226	1,046	32	226	1,078	1,304	70	6/26/95
Tampa I	FL	1,088	2,597	42	1,088	2,639	3,727	175	6/26/95

Tampa II	FL	526	1,958	58	526	2,016	2,542	140	6/26/95
Tampa III	FL	672	2,439	32	672	2,471	3,143	164	6/26/95
Jackson I	MS	343	1,580	26	343	1,606	1,949	102	6/26/95
Jackson II	MS	209	964	22	209	986	1,195	64	6/26/95
Richmond	VA	443	1,602	51	443	1,653	2,096	101	8/25/95
Orlando II	FL	1,161	2,755	64	1,162	2,818	3,980	162	9/29/95
Birmingham III	AL	424	1,506	47	424	1,553	1,977	76	1/16/96
Macon II	GA	431	1,567	19	431	1,586	2,017	87	12/1/95
Harrisburg I	PA	360	1,641	62	360	1,703	2,063	87	12/29/95
Harrisburg II	PA	627	2,224	25	627	2,249	2,876	115	12/29/95
Syracuse I	NY	470	1,712	40	472	1,750	2,222	93	12/27/95
Ft. Myers	FL	205	912	26	206	937	1,143	70	12/28/95
Ft. Myers II	FL	412	1,703	36	413	1,738	2,151	113	12/28/95
Newport News II	VA	442	1,592	27	442	1,619	2,061	84	1/5/96
Montgomery II	AL	353	1,299	48	353	1,347	1,700	72	1/23/96
Charleston II	SC	237	858	63	237	921	1,158	45	3/1/96
Tampa IV	FL	766	1,800	50	766	1,850	2,616	83	3/28/96
Arlington I	TX	442	1,767	21	442	1,788	2,230	80	3/29/96
Arlington II	TX	408	1,662	27	408	1,689	2,097	77	3/29/96
Ft. Worth	TX	328	1,324	35	328	1,359	1,687	61	3/29/96
San Antonio I	TX	436	1,759	27	436	1,786	2,222	80	3/29/96
San Antonio II	TX	289	1,161	24	289	1,185	1,474	53	3/29/96
Syracuse II	NY	481	1,559	300	496	1,844	2,340	70	6/5/96
Montgomery III	AL	279	1,014	21	279	1,035	1,314	44	5/21/96
West Palm II	FL	345	1,262	47	345	1,309	1,654	57	5/29/96
Ft. Myers III	FL	229	884	37	229	921	1,150	40	5/29/96
Pittsburgh	PA	545	1,940	18	545	1,958	2,503	76	6/19/96
Lakeland II	FL	359	1,287	57	359	1,344	1,703	52	6/26/96
Springfield	MA	251	917	174	300	1,042	1,342	41	6/28/96
Ft. Myers IV	FL	344	1,254	83	344	1,337	1,681	54	6/28/96
Cincinnati	OH	557	1,988	17	557	2,005	2,562	73	7/23/96
Dayton	OH	667	2,379	15	667	2,394	3,061	87	7/23/96
Baltimore III	MD	777	2,770	36	777	2,806	3,583	102	7/26/96
Jacksonville III	FL	568	2,028	229	568	2,257	2,825	76	8/23/96
Jacksonville IV	FL	436	1,635	32	436	1,667	2,103	64	8/26/96
Pittsburgh II	PA	627	2,257	79	632	2,331	2,963	79	8/28/96

Jacksonville V	FL	535	2,033	19	538	2,049	2,587	78	8/30/96
Charlotte II	NC	487	1,754	16	487	1,770	2,257	58	9/16/96
Charlotte III	NC	315	1,131	12	315	1,143	1,458	38	9/16/96
Orlando III	FL	314	1,113	88	314	1,201	1,515	35	10/30/96
Rochester III	NY	704	2,496	18	708	2,510	3,218	63	12/20/96

Youngstown II	OH	600	2,142	25	600	2,167	2,767	55	1/10/97
Akron	OH	413	1,478	12	413	1,490	1,903	38	1/10/97
Cleveland III	OH	751	2,676	204	751	2,880	3,631	70	1/10/97
Cleveland IV	OH	725	2,586	179	725	2,765	3,490	68	1/10/97
Cleveland V	OH	637	2,918	324	637	3,242	3,879	78	1/10/97
Cleveland VI	OH	495	1,781	227	495	2,008	2,503	48	1/10/97
Cleveland VII	OH	761	2,714	171	761	2,885	3,646	71	1/10/97
Cleveland VIII	OH	418	1,921	193	418	2,114	2,532	51	1/10/97
Cleveland IX	OH	606	2,164	43	606	2,207	2,813	56	1/10/97
Grand Rapids I	MI	455	1,631	14	455	1,645	2,100	38	1/17/97
Grand Rapids II	MI	219	790	34	219	824	1,043	19	1/17/97
Kalamazoo	MI	516	1,845	65	516	1,910	2,426	44	1/17/97
Lansing	MI	327	1,332	5	327	1,337	1,664	31	1/17/97
Holland	MI	451	1,830	99	451	1,929	2,380	45	1/17/97
San Antonio III	TX	474	1,686	87	474	1,773	2,247	40	1/30/97
Universal	TX	346	1,236	38	346	1,274	1,620	29	1/30/97
San Antonio IV	TX	432	1,560	30	432	1,590	2,022	38	1/30/97
Houston-Eastex	TX	634	2,565	4	634	2,569	3,203	50	3/26/97
Houston-Nederland	TX	566	2,279	4	566	2,283	2,849	44	3/26/97
Houston-College	TX	293	1,357	4	293	1,361	1,654	27	3/26/97
Lynchburg-Lakeside	VA	335	1,342	30	335	1,372	1,707	26	3/31/97
Lynchburg - Timberlake	VA	328	1,315	10	328	1,325	1,653	25	3/31/97
Lynchburg-Amherst	VA	155	710	16	155	726	881	14	3/31/97
Christiansburg	VA	245	1,120	9	245	1,129	1,374	21	3/31/97
Chesapeake	VA	260	1,043	33	260	1,076	1,336	20	3/31/97
Danville	VA	326	1,488	14	326	1,502	1,828	28	3/31/97
Orlando-W 25th St	FL	289	1,160	33	289	1,193	1,482	23	3/31/97
Delray I-Mini	FL	491	1,756	53	491	1,809	2,300	35	4/11/97
Savannah II	GA	296	1,196	84	296	1,280	1,576	22	5/8/97
Delray II-Safeway	FL	921	3,282	70	921	3,352	4,273	49	5/21/97
Cleveland X-Avon	OH	301	1,214	72	301	1,286	1,587	19	6/4/97
Dallas-Skillman	TX	960	3,847	37	960	3,884	4,844	49	6/30/97
Dallas-Centennial	TX	965	3,864	35	965	3,899	4,864	49	6/30/97
Dallas-Samuell	TX	570	2,285	34	570	2,319	2,889	29	6/30/97
Dallas-Hargrove	TX	370	1,486	2	370	1,488	1,858	19	6/30/97
Houston-Antoine	TX	515	2,074	5	515	2,079	2,594	27	6/30/97
Atlanta-Alpharetta	GA	1,033	3,753	22	1,033	3,775	4,808	41	7/24/97
Atlanta-Marietta	GA	769	2,788	8	769	2,796	3,565	31	7/24/97
Atlanta-Doraville	GA	735	3,429	17	735	3,446	4,181	30	8/21/97
GreensboroHilltop	NC	268	1,097	5	268	1,102	1,370	7	9/25/97

GreensboroStgCch	NC	89	376	3	89	379	468	3	9/25/97
Baton Rouge- Airline	LA	396	1,831	4	396	1,835	2,231	12	10/9/97
Baton Rouge- Airline2	LA	282	1,303	1	282	1,304	1,586	3	11/21/97
Harrisburg- Peiffers	PA	635	2,550	5	635	2,555	3,190	5	12/3/97
Corporate Office	NY	0	68	282	0	350	350	12	01/1/95
Boston-Metro I	MA	363	1,679	76	363	1,755	2,118	113	6/26/95
Boston-Metro II	MA	680	1,616	28	680	1,644	2,324	108	6/26/95
E. Providence	RI	345	1,268	90	345	1,358	1,703	88	6/26/95
			0						
		71,214	253,311	8,511	71,391	261,645	333,036	11,639	

</TABLE>

<TABLE>
<CAPTION>

	December 31, 1997		December 31, 1996		December 31, 1995	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at beginning of period		$220,711		$159,461		$ -
Additions during period:						
Acquisitions through foreclosure	$ -		$ -		$ -	
Other acquisitions	106,926		58,626		158,698	
Improvements, etc.	5,527		2,640		763	
Other (describe)	-	112,453	-	61,266	-	159,461
Deductions during period:						
Cost of real estate sold	-	-	-	-		
Other (describe)	(128)	(128)	(16)	(16)	-	-
Balance at close of period		$333,036		$220,711		$159,461

</TABLE>

Exhibit 13

1997 Annual Report to Shareholders

The story of Sovran Self Storage is one where words become actions. It's characterized by talent, discipline, hard work, inspiration, timing, marketing, dedication, and strong returns. It's a complex plot interweaving experience and expertise to assure you, our shareholders, that our growth is rooted in sound real estate fundamentals and business practices. It's a story that never ends, with each chapter focused on one prevailing certainty: continued growth.

"SUCCESS IS NOT A STATUS: IT IS A PROCESS."
-AVERONDA

To Our Shareholders

Continued Growth

That's what it all comes down to at Sovran. Our plan is controlled growth-at a strong and steady pace- to create long-term profitability.

But like all good stories, ours is one that moves across time and tense, unraveling the scope of past, and carefully managing the details of the present to project a strong vision for the future.

That's the Sovran Story. And that's the foundation of this report.

Over the next several pages, we will outline our Company's accomplishments in 1997: including expansion in both number of stores and market exposure, a strengthened balance sheet, management centralization, store improvement programs, vacant land utilization, brand identity enhancement and expanded investor relations. We also project how these accomplishments fit into our overall mission for long-term growth.

Take a closer look.

Looking Back

More Stores, More Markets

1997 was a year of many accomplishments at Sovran. And through these achievements, we have both fostered our overall growth mission and positioned the company for future profitability. Our key focus has been to manage growth in a responsible and orchestrated manner. To that end, we entered four new markets -Houston, Northern Michigan, Central Virginia and Baton Rouge-typically opening five new stores in each area. We've invested in properties that exhibit proven performance and excellent potential.

Continuing our commitment to expand presence in existing markets, we purchased twenty-eight stores in cities where we have enjoyed successful operations. We acquired nine properties in Cleveland, three in the Fort Lauderdale area and five in Dallas/Fort Worth to strengthen our presence in those cities. As a result we have the marketing power and economies of scale to generate significant returns on these assets.

TEXAS
Arlington
Dallas
Ft. Worth
Houston
San Antonio
Universal

ALABAMA
Birmingham
Montgomery

LOUISIANA
Baton-Rouge

MISSISSIPPI
Jackson

MICHIGAN
Grand Rapids
Holland
Kalamazoo
Lansing

OHIO
Akron
Cincinnati
Cleveland
Dayton
Youngstown

FLORIDA
Delray
Deltona
Lakeland
Ft. Lauderdale
Ft. Myers
Jacksonville
Melbourne
Orlando

Pensacola
Port St. Lucie
Springfield
Tallahassee
Tampa
West Palm Beach

NEW YORK
Buffalo
Middletown
Rochester
Syracuse

CORPORATE
HEADQUARTERS
Williamsville, New York

MASSACHUSETTS
Boston
New Bedford

RHODE ISLAND
Providence

CONNECTICUT
Hartford
New Haven

PENNSYLVANIA
Allentown
Harrisburg
Pittsburgh
Sharon

MARYLAND
Frederick
Gaithersburg
Landover
Salisbury

VIRGINIA
Alexandria
Chesapeake
Christiansburg
Danville
Lynchburg
Newport News
Norfolk
Richmond

NORTH CAROLINA
Charlotte
Fayetteville
Greensboro
Raleigh

SOUTH CAROLINA
Charleston
Columbia
Spartanburg

GEORGIA
Atlanta
Augusta
Macon
Savannah

Distribution of Properties as of December 31, 1997

# PROPERTIES	%	SQ. FEET	%	# OF UNITS	%

Alabama	6	3.87%	319,930	3.85%	2,437	3.30%
Connecticut	3	1.94	123,925	1.49	992	1.34
Florida	35	22.58	2,098,230	25.28	19,297	26.13
Georgia	19	12.26	1,001,977	12.07	8,431	11.41
Louisiana	2	1.29	116,835	1.41	862	1.17
Massachusetts	4	2.58	157,794	1.90	1,576	2.13
Maryland	4	2.58	173,669	2.09	1,977	2.68
Michigan	5	3.22	287,445	3.46	2,531	3.43
Mississippi	2	1.29	80,675	0.97	652	0.88
North Carolina	9	5.81	385,554	4.65	4,054	5.49
New York	8	5.16	403,341	4.86	3,485	4.72
Ohio	15	9.68	830,658	10.01	6,921	9.37
Pennsylvania	7	4.52	371,736	4.48	3,262	4.42
Rhode Island	1	0.64	37,825	0.46	397	0.54
South Carolina	7	4.52	345,833	4.17	2,780	3.76
Texas	16	10.32	990,817	11.94	9,029	12.22
Virginia	12	7.74	573,539	6.91	5,181	7.01
Total	155	100.00	8,299,783	100.00	73,864	100.00

A Strengthened Balance Sheet

More Flexibility Leads to More Growth

In April, 1997, we issued an additional 1,500,000 shares of common stock. During 1997 we also issued 303,679 Operating Partnership Units in exchange for properties. These transactions significantly bolstered our balance sheet, reducing our debt to market capitalization to just 7 percent. This gives us significant and welcomed financial flexibility, and provides a great base to leverage the Company for strong growth in 1998 and beyond.

New Marketing Initiatives

Property Management Centralization

To better facilitate our growth, we centralized property supervision and marketing efforts at the Company's headquarters, and divided the portfolio into four geographical regions. Each region is under the direction of a regional vice president, who is assisted by a number of area managers. We envision that this strategy will make us even more responsive to our customers, and will continue building the relationships that have helped shape our business. This will also allow us to maintain our leadership position while leveraging industry trends and specific market conditions.

Store Improvement Program

Attracting Customers through Better Curb Appeal

In the fourth quarter of 1997, we kicked off an extensive program to enhance the curb appeal of approximately fifty of our stores. We also introduced a new color scheme, improved landscaping, and an amenities package as part of an overall marketing plan to attract both commercial and residential customers. To enhance our Uncle Bob's Self Storage brand identity, we've developed a new logo and sign and will be implementing them throughout the portfolio. The new design reinforces the friendly, accessible nature of an Uncle Bob's store, and coordinates well with the new color scheme selected for our stores.

Expansion and Improvements

Broadening Our Horizons for Growth

Many of our properties include vacant land adjoining our storage facilities. In 1997, we converted some of these unused assets into valuable resources. What's more, we've significantly expanded our facilities in Buffalo, Cleveland and Syracuse, and converted several of our buildings in Florida, Georgia, North Carolina and Texas to climate control. These projects generally increase the rent roll of each of the respective properties, and provide for quality asset growth with minimal cost and risk.

Investor Relations and Communications

Focusing on the Bigger Picture: You

In the interest of expanding shareholder distribution, our growth is aligned in a threefold mission. We established a company website (www.sovranss.com), we are creating a Dividend Reinvestment Program (DRIP) and have increased our exposure to the investment community.

www.sovranss.com

Looking Ahead

New Goals, Continued Growth

Our vision of the future is strategically aligned for great success: for our customers, our shareholders, and our entire team. We are never content to rest with our past success. We will create a future that's bigger and better. You have our word.

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

Keys for Success in 1998

Prophet for Profits

Acquire fifty-plus properties in existing and new markets.

Expand and enhance a significant portion of our existing portfolio, uncovering additional value.

Enter into joint venture property development programs to build and open new stores in high-growth markets.

Continue marketing initiatives via ongoing manager training, improved curb appeal, and enhanced company image.

Obtain an investment-grade credit rating and utilize the strength of our balance sheet to leverage the Company to facilitate strong growth.

Build upon our reputation and strength by issuing Operating Partnership Units to fund the purchase of up to 20 percent of new acquisitions.

Utilize the Dividend Reinvestment Program (DRIP) and Stock Purchase Program when implemented to raise equity in 1998, as well as attract a new cache of retail investors to our shareholder base.

SELECTED FINANCIAL DATA

<TABLE>
<CAPTION>

(Dollars in thousands, except per share data)	Predecessor(a) At or for Year Ended December 31, 1993	Predecessor(a) At or for Year Ended December 31, 1994	Predecessor(a) For Period from 1/1/95 to 6/25/95	Company For Period from 6/26/95 to 12/31/95	Company At or for Year Ended 12/31/96	Company At or for Year Ended 12/31/97
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Operating Data:						
Operating revenues	$13,660	$18,530	$9,532	$12,942	$33,597	$49,354
Earnings (losses)	(825)	1,836	311	6,744	15,659	23,119
Net income per common share-basic	-	-	-	0.91	1.88	1.97
Net income per common share-diluted	-	-	-	0.91	1.87	1.96
Dividends declared per common share	-	-	-	1.04	2.05	2.12
Balance Sheet Data:						
Total Assets	$78,918	$82,733	$84,527	$160,437	$235,415	$327,073
Total Debt	61,550	66,340	69,102	5,000	-	36,000
Total Liabilities	64,096	69,014	71,311	10,697	8,131	50,319
Other Data:						
Net cash provided by operating activities	$ 1,470	$ 5,428	$2,003	$ 7,188	20,152	$ 31,159
Net cash used in investing activities	(15,217)	(6,609)	(3,340)	(157,965)	(59,146)	(98,765)
Net cash provided by financing activities	14,283	1,030	507	151,509	54,949	53,486
Funds from operations available to common shareholders (b)	-	-	-	9,904	19,793	29,487

(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.

(b) Funds from operations ("FFO") means income (loss) before minority interest (computed in accordance with GAAP) adjusted as follows: (i) plus depreciation of real estate assets and amortization of intangible assets exclusive of deferred financing costs and (ii) less FFO attributable to minority interest. FFO is a supplemental performance measure for REITs as defined by the National Association of Real Estate Investment Trusts, Inc. FFO is presented because analysts consider FFO to be one measure of the performance of the Company. FFO does not take into consideration scheduled principal payments on debt, capital improvements and other obligations of the Company. Accordingly, FFO is not a substitute for the Company's cash flow or net income as a measure of the Company's liquidity or operating performance or ability to pay dividends.

</TABLE>

FINANCIAL INFORMATION

Consolidated Balance Sheets - Sovran Self Storage, Inc.

(Dollars in thousands, except share data)	December 31, 1997	1996
Assets		
Investment in storage facilities:		
Land	$ 71,391	$ 49,591
Building and equipment	261,645	171,120
	333,036	220,711
Less accumulated depreciation	(11,639)	(5,457)
Investments in storage facilities, net	321,397	215,254
Cash and cash equivalents	2,567	16,687
Accounts receivable	834	482
Prepaid expenses and other assets	2,275	2,992
Total Assets	$327,073	$235,415
Liabilities		
Line of credit	$36,000	$ -
Accounts payable and accrued liabilities	2,167	1,197
Deferred revenue	1,994	1,367
Accrued dividends	6,599	5,567
Mortgage payable	3,559	-
Total Liabilities	$50,319	$8,131
Minority interest	12,843	3,655
Shareholders' Equity		
Common stock $.01 par value, 100,000,00 shares authorized, 12,221,121 shares issued and outstanding (10,706,671 at December 31, 1996)	122	107
Preferred stock, 10,000,000 shares authorized, none issued and outstanding, 250,000 shares designated as Series A Junior Participating Preferred Stock, $.01 par value	-	-
Additional paid-in capital	269,982	227,719
Unearned restricted stock	(32)	(39)
Dividends in excess of net income	(6,161)	(4,158)
Total shareholder' equity	$263,911	$223,629
Total liabilities and shareholders' equity	$327,073	$235,415

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

Dollars in thousands, except per share data)	Company Year Ended December 31, 1997	Company Year Ended December 31, 1996	Company For Period 6/26/95 to 12/31/95	Predecessors For Period 1/1/95 to 6/25/95
Revenues:				
Rental income	$ 48,584	$ 32,946	$12,557	$9,260
Interest and other income	770	651	385	272
Total revenues	49,354	33,597	12,942	9,532
Expenses:				
Property operations and maintenance	9,708	6,662	2,533	2,061
Real estate taxes	3,955	2,464	861	708
General and administrative	2,757	2,282	974	1,574
Interest	2,166	1,924	131	3,268
Depreciation and amortization	7,005	4,583	1,699	1,610
Total expenses	25,591	17,915	6,198	9,221
Income before minority interest	23,763	15,682	6,744	311
Minority interest	644	23	-	-
Net income	$ 23,119	$ 15,659	$ 6,744	$ 311
Earnings per share - basic	$ 1.97	$ 1.88	$ 0.91	-
Earnings per share - diluted	$ 1.96	$ 1.87	$ 0.91	-
Dividends declared per share	$ 2.12	$ 2.05	$ 1.04	-

(See notes to financial statements.)

<TABLE> Sovran Capital, Inc. and Sovran Partnerships (the Predecessors to the Company)
Combined Statement 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>	
Balance January 1, 1995	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 - initial public 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
Issuance of common stock	1,500,000	15	41,929	-	-	41,944
Exercise of stock options	14,250	-	328	-	-	328
Issuance of restricted stock	200	-	6	(6)	-	-
Earned portion of restricted stock	-	-	-	13	-	13
Net income	-	-	-	-	23,119	23,119
Dividends	-	-	-	-	(25,122)	(25,122)
Balance December 31, 1997	12,221,121	$122	$269,982	$(32)	$(6,161)	$263,911

(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>

	Company			Predecessors
(Dollars in thousands)	Year Ended December 31, 1997	Year Ended December 31, 1996	For Period 6/26/95 to 12/31/95	For Period 1/1/95 to 6/25/95
<S>	<C>	<C>	<C>	<C>
Operating Activities				

Net income	$23,119	$15,659	$6,744	$311
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	7,005	4,583	1,699	1,610
Minority interest	644	23	-	-
Restricted stock earned	13	12	-	-
Changes in assets and liabilities:				
Account receivable	(162)	(145)	(40)	(46)
Prepaid expenses and other assets	(283)	(182)	37	(849)
Accounts payable and other liabilities	894	157	(1,225)	891
Deferred revenue	(71)	45	(27)	86
Net cash provided by operating activities	$31,159	$20,152	$7,188	$2,003
Investing Activities				
Additions to storage facilities	(98,970)	(57,160)	(156,780)	(3,478)
Other assets	205	(1,986)	(1,185)	-
Restricted cash	-	-	-	138
Net cash used in investing activities	$(98,765)	$(59,146)	$(157,965)	$(3,340)
Financing Activities				
Net proceeds from sale of common stock	42,273	76,973	150,506	-
Proceeds from (payments on) line of credit	36,000	(5,000)	5,000	-
Dividends paid	(24,090)	(16,997)	(3,997)	-
Minority interest distributions	(697)	(27)	-	-
Proceeds from issuance of mortgages	-	-	-	2,821
Mortgage principal payments	-	-	-	(1,500)
Capital contributions	-	-	-	965
Cash distributions	-	-	-	(1,779)
Net cash provided by financing activities	$53,486	$54,949	$151,509	$507
Net (decrease) increase in cash	(14,120)	15,955	732	(830)
Cash at beginning of period	16,687	732	-	1,045
Cash at end of period	$2,567	$16,687	$732	$215
Supplemental cash flow information				
Cash paid for interest	$2,238	$1,842	$234	$3,268

(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 Statements of Cash Flows of the Company and Combined Statements of Cash Flows of the Predecessors

Supplemental cash-flow information for the years ended December 31, 1997, and 1996.

(Dollars in thousands)

	1997	1996
Storage facilities acquired through the issuance of minority interest in the operating partnership	$9,240	$3,659
Storage facilities acquired through assumption of mortgage	3,559	-
Fair value of net liabilities assumed on the acquisition of storage facilities	4,144	434

Dividends declared but unpaid at December 31, 1997, 1996 and 1995 were $6,599, $5,567 and $3,809, respectively.

Supplemental cash-flow information for the period 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

(See notes to financial statements.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Sovran Self Storage, Inc. - December 31, 1997

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). Contemporaneously with the closing of the Offering, Sovran Self Storage, Inc. acquired, in a transaction accounted for as a purchase, sixty-two 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 twelve self-storage properties from unaffiliated third parties. The Company has since purchased a total of eighty-one (forty-four in 1997, twenty-nine in 1996 and eight in 1995) self storage properties from unaffiliated third parties, increasing the total number of self-storage properties owned at December 31, 1997 to 155 properties, most of which are in the eastern United States and Texas.

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, 1997.

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 controls the operations of the Operating Partnership holding a 96.5% ownership interest therein as of December 31, 1997. The remaining ownership interests in the Operating Partnership (the "Units") are held by certain former owners of assets acquired by the Operating 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 reflect the assets, liabilities and results of operations of the Sovran Capital, Inc. and the Sovran Partnerships (the Predecessors). Such financial statement has 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.

Prepaid Expenses and Other Assets: Included in prepaid expenses and other assets are prepaid expenses and intangible assets. The intangible assets at December 31, 1997, consist primarily of loan acquisition costs of approximately $1,155, net of accumulated amortization of approximately $771; organizational costs of approximately $63, net of accumulated amortization of approximately $29; and covenants not to compete of $785, net of accumulated amortization of $350. Loan acquisition costs are amortized over the terms of the related debt; organization costs are amortized over five years; and the covenants are amortized over the contract periods. Amortization expense was $794 and $620 for the periods ended December 31, 1997 and 1996, respectively.

Minority Interest: The minority interest reflects the outside ownership interest of the limited partners of the operating Partnership. Amounts allocated to these interests are reflected as an expense in the income statement and increases the minority interest in the balance sheet. Distributions to these partners reduce this balance. At December 31, 1997, minority interest ownership was 443,609 partnership units or 3.5%.

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. EARNINGS PER SHARE

In 1997, the Company adopted Statement of Financial Accounting

Standards No. 128, "Earnings Per Share." All prior period per share data has been restated to conform with the provisions of this statement. The following table sets forth the computation of basic and diluted earnings per share.

<TABLE>
<CAPTION>

(Dollars in thousands, except per share data)	Year Ended December 31, 1997	Year Ended December 31, 1996	For Period 6/26/95 to 12/31/95
<S>	<C>	<C>	<C>
Numerator:			
Net Income	$ 23,119	$ 15,659	$ 6,744
Denominator:			
Denominator for basic earnings per share - weighted average shares	11,759	8,329	7,430
Effect of Dilutive Securities:			
Stock options	62	35	10
Denominator for diluted earnings per share - adjusted weighted - average shares and assumed conversion	11,821	8,364	7,440
Basic Earnings per Share	$ 1.97	$ 1.88	$ .91
Diluted Earnings per Share	$ 1.96	$ 1.87	$ .91

</TABLE>

4. INVESTMENT IN STORAGE FACILITIES

The following summarizes activity in storage facilities during the years ended December 31, 1997 and December 31, 1996

(Dollars in Thousands)	1997	1996
Cost:		
Beginning balance	$220,711	$159,461
Property acquisitions	106,926	58,626
Improvements and equipment additions	5,527	2,640
Dispositions	(128)	(16)
Ending balance	$333,036	$220,711
Accumulated Depreciation:		
Beginning balance	$5,457	$1,497
Additions during the year	6,211	3,964
Dispositions	(29)	(4)
Ending balance	$ 11,639	$5,457

5. LINE OF CREDIT

At December 31, 1997, the Company maintained a $75 million revolving-credit facility of which $36 million was outstanding and secured by specific storage facilities. At December 31, 1997, 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, 1997, the Company was at the .375% rate.

On February 20, 1998, the Company entered into a new $150 million unsecured credit facility which replaces in its entirety the $75 million revolving credit facility. The new facility matures February 2001 and provides for funds at LIBOR plus 1.375%, a savings of 52.5 basis points over the Company's old facility. As a result of the new credit facility, in 1998 the Company will record an extraordinary loss on the extinguishment of debt of $ 312,000, representing the unamortized financing costs of the revolving credit facility.

6. PRO FORMA FINANCIAL INFORMATION (UNAUDITED)

The following unaudited pro forma information shows the results of operations as though the acquisitions of storage facilities in 1997 and 1996, and the common stock offerings in 1997 and 1996 had all occurred as of the beginning of 1996.

	Year ended December 31,	
(Dollars in thousands, except share data)	1997	1996
Total revenues	$54,085	$51,455
Total expenses	(28,789)	(27,175)
Minority interest	(885)	(850)
Net Income	$ 24,411	$23,430
Earnings per share - basic	$ 2.00	$ 1.92
Common shares used in basic earnings per share calculation	12,221,121	12,221,121

Such unaudited pro forma information is based upon the historical consolidated statements of operations of the Company. 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.

7. STOCK OPTIONS

The Company continues to account for stock-based compensation 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 pro forma net income and earnings per share under the new method.

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 ten years from the date of grant. The exercise price for qualified incentive stock options must be at least equal to the fair market value at the date of grant. As of December 31, 1997, options for 306,000 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 Non-employee Plan) for the purpose of attracting and retaining the services of experienced and knowledgeable outside directors. The Non-employee 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 grants.

The total shares reserved under the Non-employee Plan is 50,000. The exercise price for options granted under the Non-employee Plan is equal to fair market value at date of grant. As of December 31, 1997, options for 30,000 shares had been granted under the Non-employee Plan.

The Company has also issued 2,200 shares of restricted stock to employees which vest over a four-year period. The fair value of the restricted stock on the date of grant ranged from $25.38 to $29.19.

The fair value for these options was $2.30, which was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions for 1997: risk-free interest rate of 6%; dividend yield of 7%, volatility factor of the expected market price of the Company's common stock of .16.

The Black-Scholes options valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma information for the year ended December 31, 1997 follows (in thousands, except for earnings per share information).

Pro forma net income		$ 22,976
Pro forma earnings per share:	Basic	$ 1.96
	Diluted	$ 1.95

The pro forma effect on earnings for the years ended December 31, 1996 and 1995 was immaterial.

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

	1997		1996		1995	
	Options	Weighted average exercise price	Options	Weighted average exercise price	Options	Weighted average exercise price
<S>	<C>	<C>	<C>	<C>	<C>	<C>

Outstanding at beginning of year:	$293,500	$ 23.97	$268,000	$23.00	-	$ -
Granted	34,000	29.93	28,000	25.92	274,000	23.00
Exercised	(14,250)	23.00	-	-	-	-
Forfeited	(18,000)	24.53	(2,500)	23.00	(6,000)	23.00
Outstanding at end of year	295,250	$ 25.36	293,500	$23.97	268,000	$ 23.00
Exercisable at end of year	146,750	$ 25.12	82,000	$23.48	-	-

Exercise prices for options outstanding as of December 31, 1997 ranged from $23.00 to $30.63. The weighted average remaining contractual life of those options is 8.07 years.

</TABLE>

8. RETIREMENT PLAN

Employees of the Company qualifying under certain age and service requirements are eligible to be a participant in a 401(K) Plan which was effective September 1, 1997. The Company contributes to the Plan at the rate of 50% of the first 4% of gross wages. Total expense to the Company was approximately $15,000 for the year ended December 31, 1997.

9. 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.

As of December 31, 1997, the Company had entered into contracts for the purchase of ten facilities. These facilities were acquired in January and February, 1998 for a total cost of $34,145,000.

10. 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.

<TABLE> 11. 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)

<CAPTION> 1997 Quarter Ended

<S>	March 31 <C>	June 30 <C>	Sept. 30 <C>	Dec. 31 <C>
Revenue	$10,732	$11,938	$13,320	$13,364
Net Income	$ 4,871	$ 6,003	$ 6,359	$ 5,886
Net Income Per Common Share (Note 3):				
Basic	$ 0.46	$ 0.50	$ 0.52	$ 0.49
Diluted	$ 0.46	$ 0.50	$ 0.52	$ 0.48

</TABLE>
<TABLE>
<CAPTION> 1996 Quarter Ended

<S>	March 31 <C>	June 30 <C>	Sept. 30 <C>	Dec. 31 <C>
Revenues	$ 6,944	$ 7,960	$ 9,034	$ 9,659
Net Income	$ 3,152	$ 3,610	$ 3,644	$ 5,253
Net Income Per Common Share (Note 3):				
Basic	$ 0.42	$ 0.48	$ 0.48	$ 0.50
Diluted	$ 0.42	$ 0.48	$ 0.48	$ 0.49

</TABLE>
<TABLE>
<CAPTION> 1995 Quarter Ended

<S>	June 30* <C>	Sept. 30 <C>	Dec. 31 <C>
Revenues	$ 352	$ 6,343	$ 6,247
Net Income	$ 164	$ 3,213	$ 3,367
Net Income Per Common Share (Note 3):			
Basic and Diluted	$ 0.02	$ 0.44	$ 0.45

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

</TABLE>

12. 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, 1997, the Company had entered into contracts for the purchase of ten facilities. These facilities were acquired in January and February, 1998 for a total cost of $34,145,000.

13. LEGAL PROCEEDINGS

A former business associate (Plaintiff) of certain officers and directors of the Company, including Robert J. Attea, Kenneth F. Myszka, David L. Rogers and Charles E. Lannon, filed a lawsuit against the Company on June 13, 1995 in the United States District Court for the Northern District of Ohio. The Plaintiff has since amended the complaint in the lawsuit alleging breach of fiduciary duty, breach of contract, breach of general partnership/joint venture arrangement, breach of duty of good faith, fraud and deceit, and other causes of action including declaratory judgement as to the Plaintiff's continuing interest in the Company. The Plaintiff 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 the Plaintiff claims to have a continuing interest) and an accounting. The amended complaint also added Messrs. Attea, Myszka, Rogers and Lannon as additional defendants. The parties are currently involved in discovery. The Company intends to vigorously defend the lawsuit. Messrs. Attea, Myszka, Rogers and Lannon have agreed to indemnify the Company for cost and any loss arising from the lawsuit. The Company believes that the actual amount of the Plaintiff'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.

14. INTERNAL PROPERTY ACQUISITION COSTS

On March 19, 1998 the Financial Accounting Standards Board Emerging Issues Task Force reached a consensus as to the accounting for internal acquisition costs incurred in connection with real property. The Task Force consensus indicates that internal costs related to the acquisition of operating properties should be expensed as incurred. The Company has previously capitalized such costs and will comply with the consensus prospectively. The amount of such costs capitalized in 1997 and 1996 were $728,000 and $755,000, respectively.

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, 1997 and 1996 and the related consolidated statements of operations, shareholders' equity and cash flows for the years ended December 31, 1997 and 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. 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, 1997 and 1996, and the consolidated results of its operations and its cash flows for the years ended December 31, 1997 and 1996 and the period from June 25, 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 in conformity with generally accepted accounting principles.

Ernst & Young LLP
Buffalo, New York
January 29, 1998, except for Notes 5 & 14 for which
the date is March 24, 1998

MANAGEMENT DISCUSSION AND ANALYSIS FOR FINANCIAL CONDITIONS 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, 1997, 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 for the period from January 1, 1995 to June 25, 1995. 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.

When used in this discussion and elsewhere in this document, the words "intends," "believes," "anticipates," and similar expressions are intended to identify "forward-looking statements" within the meaning of that term in Section 27A of the Securities Exchange Act of 1933, as amended, and in Section 21F of Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Such factors include the effect of competition from new self-storage facilities, which would cause rents and occupancy rates to decline; the Company's ability to evaluate, finance and integrate acquired businesses into the Company's existing business and operations; the Company's ability to effectively compete in the industries in which it does business; and tax law changes which may change the taxability of future income.

RESULTS OF OPERATIONS

Year Ended December 31, 1997 compared to Year Ended December 31, 1996

Rental revenues improved from $32.9 million for the year ended December 31, 1996 to $48.6 million for the year ended December 31, 1997, an increase of $15.7 million, or 48%. Of this, $10.4 million resulted from the acquisition of forty-four properties during 1997, $4.3 million resulted from having the 1996 acquisitions included for a full year of operations, and $1 million resulted from increased revenues at the eighty-two core properties considered in same store sales. For this core group, revenues increased 3.5%, primarily as the result of rental rate increases, as average occupancy was unchanged from 1996's level of 87.8%. Interest and other income increased just slightly to $0.8 million in 1997.

Property operating and real estate tax expense increased $4.5 million or 49% during the period. Of this, $3.1 million was incurred by the facilities acquired in 1997, $1.3 million resulted from the having the 1996 acquisitions included for a full year of operations, and $0.1 million additional cost was incurred in the operation of the eighty-two core properties.

General and administrative expenses increased $0.5 million, primarily as a result of increased supervisory and accounting costs associated with the operation of an increased number of properties.

Interest expense of $2.2 million in 1997 resulted primarily from borrowings on the Company's line of credit facility (a mortgage loan assumed in an acquisition transaction required interest payments of $0.2 million). The Company had borrowings outstanding of $42 million before paying off the balance with the proceeds of a common stock offering in April 1997. The credit facility was then utilized throughout the balance of the year to fund further acquisitions, so that by the end of the year, the amount outstanding on the line was $36 million.

Depreciation and amortization expense increased to $7 million from $4.6 million, primarily as a result of the additional depreciation taken on the $112 million of real estate assets acquired in 1997 and a full year of depreciation on 1996 acquisitions.

Earnings before interest, depreciation and amortization, and minority interest increased $10.7 million or 48%, in 1997 as a result of the aforementioned items.

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

Rental revenues improved from $21.8 million for the year ended December 31, 1995 to $32.9 million for the year ended December 31, 1996, an increase of $11.1 million, or 51%. Of this, $5.1 million resulted from the acquisition of twenty-nine properties during 1996, $ 4.9 million resulted from having 1995 acquisitions included for a full year of operations, and $1.1 million resulted from increased occupancy levels and rental rates. Interest and other income remained unchanged at approximately $0.7 million.

Property operating and real estate tax expense increased $3 million or 48% during the period. Of this, $1.5 million was incurred by the facilities acquired in 1996, $1.4 million resulted from having the 1995 acquisitions included for a full year of operations, and $0.1 million of additional cost was incurred in the operation of the sixty facilities owned by the Company since January 1, 1995.

General and administrative expenses decreased $0.3 million, 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 expenses of $1.9 million in 1996 resulted exclusively from borrowings on the Company's line of credit facility. The Company has borrowings outstanding of $59.3 million before paying off the balance with the proceeds of a common stock offering in October 1996. Interest expenses in 1995 was $3.4 million, or $1.5 million higher than in 1996. This was primarily due to the fact that until the Initial Public Offering in June 1995, the Predecessors had incurred substantial mortgage debt as a means to finance its acquisitions, and paid approximately $3.3 million to cary that debt through June 1995. Upon completion of the Initial Public Offering, this mortgage debt was paid in full, and there was only a line of credit borrowing of $5 million outstanding at the end of 1995.

Depreciation and amortization expense increased to $4.6 million from $3.3 million, primarily as a result of the additional depreciation taken on the $60 million or real estate assets acquired in 1996.

Earnings before interest, depreciation, amortization and minority interest increased $8.4 million or 61% in 1996 as a result of the aforementioned items.

Pro Forma Year Ended December 31, 1997 compared to Pro Forma Year Ended December 31, 1996

The following unaudited pro forma information shows the results of operations as though the acquisitions of storage facilities in 1997 and 1996, and the common stock offerings in 1997 and 1996 had all occurred as of the beginning of 1996.

	Year Ended December 31,	
(Dollars in thousands)	1997	1996
Revenues:		
Rental income	$53,264	$50,663
Interest and other income	821	792
Total revenues	54,085	51,455
Expenses:		
Property operations and maintenance	10,728	9,918
Real estate taxes	4,352	3,688
General and administrative	2,800	2,660
Interest	3,167	3,167
Depreciation and amortization	7,742	7,742
Total expenses	28,789	27,175

Income before minority interest	25,296	24,280
Minority interest	(885)	(850)
Net income	$ 24,411	$ 23,430

Rental revenue of $53.3 million in 1997 was increased by 5.1% over 1996's revenues of $50.7 million, primarily as a result of rate increases at the 73 properties acquired in 1997 and 1996, and a 4% increase in average occupancy of the new properties.

Operating expenses and real estate taxes in 1997 were $15.1 million, as compared to $13.6 million in 1996, an increase of 11%. 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 73 properties. Despite the increase in expenses, operating margins improved from 71.7% to 72.0% in 1997.

General and administrative costs were determined by the Company's historical costs incurred in the management of 155 properties, and operating as a publicly owned REIT.

Interest expense in both years was determined by applying the year-end rate and the applicable non-usage fee associated with the Company's $75 million credit facility.

Such unaudited pro forma information is based upon the historical consolidated statements of operations of the Company. 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.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources and Establishment of Line of Credit

The Company has relied principally on equity capital since inception and has raised net proceeds of $269 million from its initial public offering on June 25, 1995, and additional offerings in 1996 and 1997. The Company used the proceeds of the offerings to repay indebtedness, to purchase additional properties, and to acquire limited partners' interest in the Sovran Partnerships.

The equity offerings have been supplemented with borrowings on the Company's $75 million line of credit which was replaced on February 20, 1998, by a three-year, $150 million unsecured line. The commitment fee on the new line was $750,000, and interest is payable monthly at 137.5 basis points above LIBOR, with a provision for reduction should the Company attain an investment-grade rating. This will reduce the Company's borrowing costs from what it would have been under the old agreement.

In addition to the equity and debt capital, the Company issued $3.6 million and $9.2 million of Operating Partnership Units in 1996 and 1997, respectively, in exchange for self storage facilities at the request of sellers.

As a result of its limited use of debt and the replacement of the secured credit facility with the unsecured line of credit, the Company believes it has achieved a level of market capitalization and critical mass to enable it to access the senior debt markets to fund 1998 growth.

Acquisition of Properties

Since the Initial Offering, the Company used the balance of the proceeds from the underwriter's over-allotment option, the follow-on public offerings, issuance of Operating Partnership Units and borrowings pursuant to the line of credit to acquire properties from unaffiliated storage operators in Virginia, Florida, Georgia, New York, Pennsylvania, Texas, Alabama, Maryland, Massachusetts, Michigan, Ohio and Louisiana. In 1995, following the Initial Public Offering, the Company added 8 facilities and

550,000 square feet of storage space to its portfolio. In 1996, twenty-nine facilities comprising 1,490,000 square feet, and in 1997, forty-four facilities totaling 2.5 million square feet were acquired. At December 31, 1997, a total of 155 facilities and 8,300,000 square feet of net rentable storage space was owned and operated by the Company.

Internal Property Acquistion Costs

As a result of a recent consensus reached by the Financial Accounting Standards Board Emerging Issues Task Force, the Company will no longer capitalize internal costs related to the acquisition of operating properties. The amount of such costs capitalized in 1997 and 1996 were $728,000 and $755,000, respectively.

Future Acquisition and Development Plans

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.

Since the Initial Public Offering, the Company has increased its presence in the Boston, Washington, Cleveland, Atlanta, Norfolk, Charlotte, Greensboro, Orlando, Jacksonville, Pensacola, Orlando and Ft. Lauderdale/Palm Beach markets. Properties acquired in these cities were added to improve the Company's presence and enhance visibility of its operations. Economies of scale are enjoyed via this strategy, as yellow-page costs, maintenance expenses and relief payroll costs can be shared among numerous facilities.

The Company has also entered new markets with great impact. Sixteen stores were acquired in Texas, giving us a strong presence in San Antonio, Dallas and Houston. Six properties were acquired in Tampa, five in Northern Michigan, four each in Ft. Myers and St. Petersburg, three each in Birmingham and Montgomery, and two each in Newport News, Pittsburgh, Baton Rouge, Syracuse and Jackson.

At December 31, 1997, the Company had contracts to acquire additional properties in Norfolk, Newport News, Boston, Greensboro, and St. Petersburg.

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 1998 may be applied toward the Company's 1997 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 1997, 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 fourth 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.

IMPACT OF YEAR 2000

Based on a preliminary assessment and limited testing, the Company believes it has made all changes to its software so that its computer system will function properly with respect to dates in the year 2000 and thereafter. The Company presently believes that with these modifications, the Year 2000 issue will not pose significant operational problems for its computer systems.

The Company has initiated formal communications with third parties to determine the extent to which the Company's interface systems are vulnerable to those third parties' failure to remediate their own Year 2000 issues.

The Company anticipates completing the Year 2000 project in 1998, which is prior to any expected impact on its operating system. The Company's total Year 2000 project costs, which are expected to be immaterial, and the anticipated time frame, are based on presently available information. These estimates were derived utilizing numerous assumptions of future events, including the availability of certain resources, third-party modification plans and other factors. However, there can be no guarantee that the estimated time of completion will be achieved and actual results could differ materially from those anticipated.

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 12, 1998
1285 Avenue of the Americas
New York, New York
11:00 a.m. (e.d.t.)

SOVRAN'S WEBSITE
http://www.sovranss.com

FORM 10-K REPORT
A copy of the Company's Annual Report on Form 10-K for the year ended December 31, 1997, filed with the Securities Exchange Commission, will be furnished to shareholders without charge upon written request.
Please contact Christine M. Aguglia, 716-633-1850

INVESTOR RELATIONS
For more information or to receive Sovran's quarterly reports, please contact Joan M. Light, 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: 29,616

The following table sets forth the high and low sales prices of the Common Stock on the New York Stock Exchange composite tapes for the period from June 26, 1995 (formation) to December 31, 1997.

	Range	
Quarter	High	Low
1995		
2nd	23	23
3rd	25.75	22.38
4th	26.75	23.13
1996		
1st	27.5	25
2nd	27.125	24.625
3rd	27	24.625
4th	31.25	25.625
1997		
1st	32	29.375
2nd	30.875	28
3rd	31.75	28.625
4th	32.4375	28.6875

As of December 31, 1997 there were approximately 388 shareholders of record of the common stock.

WRITING & DESIGN
The Wolf Group, Buffalo, NY

PRINTING
Boncraft, Buffalo, NY

Exhibit 23

Consent and Report 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 January 29, 1998, included in the 1997 Annual Report to Shareholders of Sovran Self Storage, Inc.

Our audits also included the financial statement schedule of Sovran Self Storage, Inc. listed in Item 14(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the financial information set forth therein.

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 January 29, 1998, with respect to the consolidated financial statements incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule included in this Annual Report (Form 10-K) of Sovran Self Storage, Inc.

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 incorporated herein by reference, and our report included in this Annual Report (Form 10-K) of Sovran Self Storage, Inc.

ERNST & YOUNG LLP

Buffalo, New York
March 26, 1998

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