FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For the quarterly period ended September 30, 1998

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 (I.R.S. Employer
incorporation or organization) 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)

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 ____

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Title Outstanding

Common Stock, $.01 par value per share. 12,272,963

Part I. Financial Information
Item 1. Financial Statements
<TABLE>

SOVRAN SELF STORAGE, INC.
CONSOLIDATED BALANCE SHEETS
<CAPTION>

(dollars in thousands, except share data)	September 30, 1998 (unaudited)	December 31, 1997

- --

<S> <C> <C>

Assets		
Investment in storage facilities:		
Land	$ 100,801	$ 71,391
Building and equipment	388,800	261,645
	489,601	333,036
Less: accumulated depreciation	(18,559)	(11,639)
Investments in storage facilities, net	471,042	321,397
Cash and cash equivalents	6,112	2,567
Accounts receivable	1,302	834
Prepaid expenses and other assets	3,135	2,275
Total Assets	$ 481,591	$ 327,073
Liabilities		
Line of credit and term note	$ 176,500	$ 36,000
Accounts payable and accrued liabilities	5,123	2,167
Deferred revenue	2,882	1,994
Accrued dividends	6,873	6,599
Mortgage payable	3,059	3,559
Total Liabilities	194,437	50,319
Minority interest	24,108	12,843
Shareholders' Equity		
Common stock $.01 par value, 100,000,000 shares authorized, 12,272,963 shares Issued (12,221,121 at December 31, 1997	123	122
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	273,797	269,982
Unearned restricted stock	(450)	(32)
Dividends in excess of net income	(8,434)	(6,161)
Treasury stock at cost, 75,700 shares	(1,990)	-
Total Shareholders' Equity	263,046	263,911
Total Liabilities and Shareholders' Equity	$ 481,591	$ 327,073

</TABLE>

See notes to financial statements.

<TABLE>

SOVRAN SELF STORAGE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

<CAPTION>

(dollars in thousands, except share data)	July 1, 1998 to September 30, 1998	July 1, 1997 to September 30, 1997
<S>	<C>	<C>
Revenues:		

Rental income	$ 18,876	$ 13,161
Interest and other income	231	159
Total revenues	19,107	13,320
Expenses:		
Property operations and maintenance	3,905	2,571
Real estate taxes	1,481	1,056
General and administrative	1,173	697
Interest	3,080	592
Depreciation and amortization	2,830	1,845
Total expenses	12,469	6,761
Income before minority interest	6,638	6,559
Minority interest	(438)	(200)
Net Income	$ 6,200	$ 6,359
Earnings per share - basic	$ 0.51	$ 0.52
Earnings per share - diluted	$ 0.50	$ 0.52
Common shares used in basic earnings per-share calculation	12,273,535	12,220,921
Dividends declared per share	$ 0.56	$ 0.54

</TABLE>

See notes to financial statements.

<TABLE>

SOVRAN SELF STORAGE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

<CAPTION>

(dollars in thousands, except share data)	January 1, 1998 to September 30, 1998	January 1, 1997 to September 30, 1997
<S>	<C>	<C>
Revenues:		
Rental income	$ 35,464	$ 49,223
Interest and other income	701	527
Total revenues	49,924	35,991
Expenses:		
Property operations and maintenance	9,888	6,979
Real estate taxes	3,979	2,832
General and admintrative	3,120	2,027
Interest	6,448	1,410
Depreciation and amortization	7,377	5,061
Total expenses	30,812	18,309

	-----------	-----------
Income before minority interest and extraordinary item	19,112	17,682
Minority interest	(862)	(450)
	-----------	-----------
Income before extraordinary item	18,250	17,232
Extraordinary loss on extinguishment of debt	(350)	-
	-----------	-----------
Net Income	$ 17,232	$ 17,900
	===========	===========
Earnings per share before extraordinary item - basic	$ 1.48	$ 1.49
Extraordinary item	(0.02)	-
	-----------	-----------
Earnings per share - basic	$ 1.46	$ 1.49
	===========	===========
Earnings per share - diluted	$ 1.45	$ 1.48
	===========	===========
Common shares used in basic earnings per-share calculation	12,297,622	11,602,877
Dividends declared per share	$ 1.64	$ 1.58
	===========	===========

</TABLE>

See notes to financial statements.

<TABLE>

SOVRAN SELF STORAGE, INC.
STATEMENTS OF CASH FLOWS
(unaudited)

<CAPTION>

(dollars in thousands)	January 1, 1998 to September 30, 1998	January 1, 1997 to September 30, 1997
<S>	<C>	<C>
Operating Activities		
Net income	$ 17,900	$ 17,232
Adjustments to reconcile net income to net cash provided by operating activities:		
Extraordinary loss	350	-
Depreciation and amortization	7,377	5,061
Minority interest	862	450
Restricted stock earned	5	10
Changes in assets and liabilities:		
Accounts receivable	(409)	(289)
Prepaid expenses and other assets	(659)	17
Accounts payable and other liabilities	2,695	3,325
Deferred revenue	67	693
	-----------	-----------

Net cash provided by operating activities	28,188	26,499
	-----------	-----------
Investing Activities		
Additions to storage facilities	(140,924)	(92,386)
Additions to other assets	(866)	(10)
	-----------	-----------
Net cash used in investing activities	(141,790)	(92,396)
	-----------	-----------
Financing Activities		
Net proceeds from sale of common stock	-	42,340
Proceeds from line of credit draw down	140,500	28,000
Dividends paid	(19,899)	(18,522)
Purchase of treasury stock	(1,990)	-
Minority interest distributions	(964)	(477)
Mortgage principal payments	(500)	-
	-----------	-----------
Net cash provided by financing activities	117,147	51,341
	-----------	-----------
Net increase (decrease) in cash	3,545	(14,556)
Cash at beginning of period	2,567	16,687
	-----------	-----------
Cash at end of period	$ 6,112	$ 2,131
	===========	===========
Supplemental cash flow information		
Cash paid for interest	$ 5,940	$ 1,410

</TABLE>

See notes to financial statements.

<TABLE>
<CAPTION>

SOVRAN SELF STORAGE, INC.
STATEMENTS OF CASH FLOWS
(unaudited)

<S> <C>

Supplemental cash flow information for the nine months
ended September 30, 1998
(dollars in thousands)

- --

Storage facilities acquired through the issuance of minority interest in the operating partnership and common stock	$ 14,703
Fair value of net liabilities assumed on the acquisition of storage facilities	$ 1,208

- --

Dividends declared but unpaid were $6,873 at September 30, 1998 and $6,599 at December 31, 1997

</TABLE>

Notes to Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

The accompanying unaudited financial statements of Sovran Self Storage, Inc. (the Company) have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine month periods ended September 30, 1998 and September 30, 1997 are not necessarily indicative of the results that may be expected for the year ended December 31, 1998.

2. 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 127 (forty-five in 1998, forty-four in 1997, twenty-nine in 1996 and nine in 1995) self storage properties from unaffiliated third parties, increasing the total number of self-storage properties owned at September 30, 1998 to 201 properties, most of which are in the eastern United States and Texas.

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 93.4% ownership interest therein as of September 30, 1998. 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.

3. Investment in Storage Facilities

The following summarizes activity in storage facilities during the period ended September 30, 1998.

<TABLE>
<CAPTION>

(dollars in thousands)

<S>	<C>
Cost:	
Beginning balance	$ 333,036
Property acquisitions	145,841
Improvements and equipment additions	10,890
Dispositions	(166)
Ending balance	$ 489,601
Accumulated Depreciation:	
Beginning balance	$ 11,639
Additions during the period	6,962
Dispositions	(42)

Ending balance	$ 18,559
	==============

</TABLE>

4. Line of Credit

On February 20, 1998, the Company entered into a new $150 million unsecured credit facility which replaced in its entirety the Company's $75 million revolving credit facility. The new facility matures February 2001 and provides for funds at LIBOR plus 1.25%, savings of 65 basis points over the Company's old facility. As a result of the new credit facility, in 1998 the Company recorded an extraordinary loss on the extinguishment of debt of $350,000 representing the unamortized financing costs of the former revolving credit facility.

In June 1998, the Company entered into a $30 million unsecured term note which matured on September 24, 1998 and provided for funds at LIBOR plus 1.25%. The term note has been increased to $40 million and extended through January 1999, and bears interest at LIBOR plus 1.50%.

To manage its exposure to interest rate fluctuations, the Company has entered into LIBOR-based interest rate swap agreements in amounts of $75 million through October 1998 and $40 million through June 1999. Net payments or receipts under swap agreements are recorded as adjustments to interest expense. The net carrying amount of the Company's debt instruments approximates the fair values.

5. 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 September 30, 1998, the Company entered contracts for the purchase of 10 self-storage facilities with expected costs of $24 million.

6. Pro Forma Financial Information

The following unaudited pro forma Condensed Statement of Operations is presented as if the 45 storage facilities purchased during the nine months ended September 30, 1998, had occurred at January 1, 1998. Such unaudited pro forma information is based upon the historical combined statements of operations of the Company. It should be read in conjunction with the financial statements of the Company and notes thereto included elsewhere herein. 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.

<TABLE>
<CAPTION>
(in thousands, except per share data)

	Nine Months Ended September 30, 1998
<S>	<C>
Revenues:	
Rental income	$ 55,534
Other income	828
Total revenues	56,362
Expenses:	
Property operations & maintenance	11,398
Real estate taxes	4,547
General and administrative	3,170
Interest	9,329
Depreciation and amortization	8,031
Total Expenses	36,475
Income before minority interest and extraordinary item	19,887
Minority interest	(1,284)

Income before extraordinary item	18,603
Extraordinary loss on extinguishment of debt	(350)

Net income	$ 18,253
	=================
Earnings per share before extraordinary item - basic	$ 1.52
Extraordinary item	(.03)

Earnings per share - basic	$ 1.49
	=================
Earnings per share - diluted	$ 1.48
	=================
Common shares used in basic earnings per share calculation	12,272,963

</TABLE>

7. 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 in connection with the formation of the Company as a REIT and related transactions, as well as the Offering. On April 29, 1996, the Plaintiff 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 declaratory judgement as to the Plaintiff's continuing interest in the Company. The Plaintiff is seeking money damages in excess of $15 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.

8. Earnings Per Share

In 1997, the Company adopted Statement of Financial Accounting Standards No. 128, "Earnings Per Share." The following table sets forth the computation of basic and diluted earnings per share:

<TABLE>
<CAPTION>

	Nine Months Ended September 30, 1998	Nine Months Ended September 30, 1997
	-------------	-------------
<S>	<C>	<C>
Numerator:		
Net Income	$ 17,900	$ 17,232
Denominator:		
Denominator for basic earnings per share - weighted average shares	12,298	11,603
Effect of Diluted Securities:		
Stock options	30	61
Denominator for diluted earnings		

per share - adjusted weighted average shares and assumed conversion	12,328	11,664
Basic earnings per share	$ 1.46	$ 1.49
Diluted earnings per share	$ 1.45	$ 1.48

</TABLE>

9. Recent Accounting Pronouncements

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 internal acquisition costs capitalized in the nine-months ended September 30, 1998 and 1997, was $222,000 and $600,000, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

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 Company operates as a Real Estate Investment Trust ("REIT") and owns and operates a portfolio of 201 self-storage facilities, providing storage space for business and personal use to customers in 19 states. The Company's investment objective is to increase cash flow and enhance shareholder value by aggressively managing its portfolio, to expand and enhance the facilities in that portfolio and to selectively acquire new properties in geographic areas that will either complement or efficiently grow the portfolio.

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.

Liquidity and Capital Resources

Revolving Credit Facility

On February 20, 1998, the Company entered into a new $150 million unsecured credit facility which replaces in its entirety the Company's $75 million revolving credit facility. The new facility matures February 2001 and provides for funds at LIBOR plus 1.25%, savings of 65 basis points over the Company's old facility. The Company intends to use funds available from this credit facility to finance future acquisition and development plans described below. At September 30, 1998, the outstanding balance of the unsecured credit facility was $150 million.

In June 1998, the Company entered into a $30 million term note that matured on September 24, 1998 and provided for funds at LIBOR plus 1.25%. The term note has been increased to $40 million and extended through January 1999, and bears interest at LIBOR plus 1.50%. At September 30, 1998, there was $26.5 million outstanding on the term note. To manage its exposure to interest rate fluctuations, the Company has entered into LIBOR-based interest rate swap agreements in amounts of $75 million through October 1998 and $40 million through June 1999.

Umbrella Partnership REIT

The Company was formed as an Umbrella Partnership Real Estate Trust ("UPREIT") and, as such, has the ability to issue operating partnership ("OP") units in exchange for properties sold by independent owners. By utilizing such OP units as currency in facility acquisitions, the Company may partially defer the seller's income-tax liability and obtain more favorable pricing or terms. As of September 30, 1998, 863,037 units have been issued in exchange for property at the request of the sellers.

Acquisition of Properties

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 an operating presence or to expand into new markets by acquiring several facilities at once in those new markets. In the three months ended September 30, 1998, the Company acquired nine properties, increasing its existing presence in Florida, North Carolina, and Texas. The nine acquisitions in the three months ended September 30, 1998 added 640,000 square feet of space and 7,000 rental units to the Company's portfolio.

Future Acquisition and Development Plans

In October, the Company continued its external growth strategy by increasing the number of facilities it owns in Texas, and has contracts on properties in Louisiana, Mississippi, Ohio, Rhode Island, and Texas with planned closings in the fourth quarter of 1998 and the first quarter of 1999.

The Company also intends to improve 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.

Common Stock Repurchase Program

On June 24, 1998, the Board of Directors authorized the repurchase of up to 1,000,000 shares of outstanding common stock. The shares may be purchased from time-to-time at the discretion of management in the open market or in privately negotiated transactions. As of September 30, 1998, 75,700 common shares had been repurchased.

Liquidity

As most of the Company's operating cash flow is expected to be used to pay dividends, (see REIT Qualification and Distribution Requirements), the funds required to acquire additional properties will be provided by borrowings pursuant to the term note and the issuance of UPREIT units.

At September 30, 1998, the Company had $13.5 million available under the term note. The Company has received a committment from a syndicate of banks for a $75 million term note that will be used to repay the current $40 million term note and provide financing for future acquisitions.

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.

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 the three months ended September 30, 1998, the Company's percentage of revenue from such sources exceeded 98%, thereby passing the 95% test, and no special measures are expected to be required to enable the Company to maintain its REIT designation.

Results of Operations

The following discussion is based on the financial statements of the Company as of September 30, 1998 and September 30, 1997.

For the period January 1, 1998 through September 30, 1998 (dollars in thousands)

The Company reported revenues of $49,924 during the period and incurred $13,867 in operating expenses, resulting in net operating income of $36,057, or 72%. General and administrative expenses of $3,120, interest expense of $6,448 and depreciation and amortization expenses of 7,377 resulted in income of $19,112 before minority interest and extraordinary item. An extraordinary loss of $350 resulted from the write-off of the unamortized financing costs of the revolving credit facility that was replaced in February 1998. Net income amounted to $17,900.

Three months ended September 30, 1998, compared to Three months ended September 30, 1997 (dollars in thousands)

The following discussion compares the activities of the Company for the three months ended September 30, 1998 with the activities of the Company for the three months ended September 30, 1997.

Total revenues increased from $13,320 for the three months ended September 30, 1997 to $19,107 for the three months ended September 30, 1998, an increase of $5,787 or 43%. Of this, $5,290 resulted from the acquisition of 53 properties during the period July 1, 1997 through September 30, 1998 and $497 was realized as a result of increased rental rates at the 148 properties owned by the Company at June 30, 1997. Overall, same-store revenues grew 3.8% for the three-month period ended September 30, 1998 as compared to the same period in 1997.

Property operating and real estate tax expense increased $1,759 or 48% during the period. $1,466 was a result of absorbing additional expenses from operating the newly acquired properties, and $293 related to the operations of its sites operated more than one year.

General and administrative expenses, which includes losses of $96 realized as the result of replacement of equipment, increased $476 principally as a result of the need for additional personnel and increased administrative costs associated with managing the additional properties.

Interest expense increased $2,488 due to the $140.5 million drawn on the Company's line of credit and term note during 1998. Income before minority interest increased from $6,559 to $6,638, an increase of $79 or 1.2%.

Funds from Operations

The Company believes that Funds From Operations ("FFO") is helpful to investors as a measure of the performance of an equity REIT because, when considered in conjunction with cash flows from operating activities, financing activities, and investing activities, it provides investors with an understanding of the ability of the Company to incur and service debt and to make capital expenditures. FFO is defined as net income, computed in accordance with GAAP, plus depreciation of real estate assets and amortization of intangible assets exclusive of deferred financing fees, and excluding gains (losses) from debt restructuring and sales of property. FFO should not be considered a substitute for net income or cash flows, nor should it be considered an alternative to operating performance or liquidity. The following table sets forth the calculation of FFO:

<TABLE>
<CAPTION>

(in thousands)	Three months ended September 30, 1998	Three months ended September 30, 1997
<S>	<C>	<C>
Net income	$ 6,200	$ 6,359
Minority interest	438	200
Depreciation of real estate and amortization of intangible assets exclusive of deferred financing fees	2,788	1,715
Minority interest share of FFO	(622)	(252)
FFO available to common shareholders	$ 8,804	$ 8,022

</TABLE>

Inflation

The Company does not believe that inflation has had or will have a direct adverse 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 quarters, 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 geographical 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.

Part II. Other Information

Item 1. Legal Proceedings

7. 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 in connection with the formation of the Company as a REIT and related transactions, as well as the Offering. On April 29, 1996, the Plaintiff 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 declaratory judgement as to the Plaintiff's continuing interest in the Company. The Plaintiff is seeking money damages in excess of $15 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.

Item 6. Exhibits and Reports on Form 8-K

(a.) Exhibit 27 - Financial data schedule.

(b.) Reports on Form 8-K

On July 6, 1998, the Company filed a Current Report on Form 8-K, reporting the acquisition of ten self-storage facilities. In addition, an unaudited Pro Forma Combined Balance Sheet and Statement of Operations at and for the three months ended March 31, 1998 and the year ended December 31, 1997 was presented.

On September 25, 1998, the Company filed a Current Report on Form 8-K reporting the acquisition of four self-storage facilities. In addition, an unaudited Pro Forma Combined Balance Sheet and Statement of Operations at and for the six months ended June 30, 1998 and the year ended December 31, 1997 was presented.

SIGNATURES

Pursuant to the requirements 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.

November 13, 1998 By: / S / David L. Rogers
- --
Date David L. Rogers
Secretary, Chief Financial Officer

<TABLE> <S> <C>

<ARTICLE> 5

<CIK> 0000944314
<NAME> Sovran Self Storage, Inc.
<MULTIPLIER> 1,000
<CURRENCY> U.S. Dollars

<S> <C>
<PERIOD-TYPE> 9-MOS
<FISCAL-YEAR-END> DEC-31-1998
<PERIOD-START> JAN-01-1998
<PERIOD-END> SEP-30-1998
<EXCHANGE-RATE> 1.0
<CASH> 6,112
<SECURITIES> 0
<RECEIVABLES> 1,302
<ALLOWANCES> 0
<INVENTORY> 0
<CURRENT-ASSETS> 10,549
<PP&E> 489,601
<DEPRECIATION> 18,559
<TOTAL-ASSETS> 481,591
<CURRENT-LIABILITIES> 194,437
<BONDS> 0
<PREFERRED-MANDATORY> 0
<PREFERRED> 0
<COMMON> 123
<OTHER-SE> 262,923
<TOTAL-LIABILITY-AND-EQUITY> 481,591
<SALES> 0
<TOTAL-REVENUES> 49,924
<CGS> 0
<TOTAL-COSTS> 13,867
<OTHER-EXPENSES> 11,359
<LOSS-PROVISION> 0
<INTEREST-EXPENSE> 6,448
<INCOME-PRETAX> 18,250
<INCOME-TAX> 0
<INCOME-CONTINUING> 18,250
<DISCONTINUED> 0
<EXTRAORDINARY> (350)
<CHANGES> 0
<NET-INCOME> 17,900
<EPS-PRIMARY> 1.46
<EPS-DILUTED> 1.45

</TABLE>