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, 1999

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)

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.	12,463,632

Part I. Financial Information

Item 1. Financial Statements

SOVRAN SELF STORAGE, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

<TABLE>
<CAPTION>

(dollars in thousands, except share data)	September 30, 1999	December 31, 1998
<S>	<C>	<C>
Assets		
Investment in storage facilities:		
Land	$ 111,425	$ 102,864
Building and equipment	440,382	399,638

	551,807	502,502
Less: accumulated depreciation	(30,261)	(21,339)
Investment in storage facilities, net	521,546	481,163
Cash and cash equivalents	1,074	2,984
Accounts receivable	1,707	1,699
Prepaid expenses and other assets	4,541	4,278
Total Assets	$ 528,868	$ 490,124
Liabilities		
Line of credit	$ 114,000	$ 112,000
Term note	75,000	75,000
Accounts payable and accrued liabilities	7,037	3,542
Deferred revenue	3,227	2,943
Accrued dividends	7,104	6,895
Mortgage payable	5,262	3,059
Total Liabilities	211,630	203,439
Minority interest	23,659	24,020
Shareholders' Equity		
Series A Junior Participating Cumulative Preferred Stock, $.01 par value, 250,000 shares authorized and no shares issued and outstanding	-	-
9.85% Series B Cumulative Redeemable Preferred Stock, $.01 par value, 1,700,000 shares authorized, 1,200,000 shares issued and outstanding, $30,000 liquidation value	28,753	-
Common stock $.01 par value, 100,000,000 shares authorized, 12,463,632 shares outstanding (12,312,756 at December 31, 1998)...	126	124
Additional paid-in capital	280,490	274,638
Unearned restricted stock	(365)	(418)
Dividends in excess of net income	(11,511)	(9,689)
Treasury stock at cost, 158,900 shares	(3,914)	(1,990)
Total Shareholders' Equity	293,579	262,665
Total Liabilities and Shareholders' Equity	$ 528,868	$ 490,124

</TABLE>

See notes to financial statements.

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

<TABLE>
<CAPTION>

(dollars in thousands, except share data)	July 1, 1999 to Sept. 30, 1999	July 1, 1998 to Sept. 30, 1998
<S>	<C>	<C>
Revenues:		
Rental income	$ 21,535	$ 18,876
Interest and other income	1,035	231
Total revenues	22,570	19,107

Expenses:		
Property operations and maintenance	4,309	3,905
Real estate taxes	1,901	1,481
General and administrative	1,318	1,173
Interest	3,503	3,080
Depreciation and amortization	3,362	2,830
Total expenses	14,393	12,469
Income before minority interest	8,177	6,638
Minority interest	(523)	(438)
Net Income	7,654	6,200
Series B preferred stock dividend	(501)	-
Net income available to common shareholders	$ 7,153	$ 6,200
Per Common Share:		
Earnings per share - basic	$ 0.57	$ 0.51
Earnings per share - diluted	$ 0.57	$ 0.50
Common shares used in basic earnings per share calculation	12,486,771	12,273,535
Common shares used in diluted earnings per share calculation	12,494,452	12,294,243
Dividends declared per common share	$ 0.57	$ 0.56

</TABLE>

See notes to financial statements.

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

<TABLE>
<CAPTION>

(dollars in thousands, except share data)	Jan. 1, 1999 to Sept. 30, 1999	Jan. 1, 1998 to Sept. 30, 1998
<S>	<C>	<C>
Revenues:		
Rental income	$ 61,108	$ 49,223
Interest and other income	1,519	701
Total revenues	62,627	49,924
Expenses:		
Property operations and maintenance	12,385	9,888
Real estate taxes	5,196	3,979
General and administrative	3,833	3,120
Interest	10,476	6,448
Depreciation and amortization	9,703	7,377
Total expenses	41,593	30,812
Income before minority		

interest and extraordinary item	21,034	19,112
Minority interest	(1,352)	(862)
Income before extraordinary item	19,682	18,250
Extraordinary loss on extinguishment of debt	-	(350)
Net Income	19,682	17,900
Series B preferred stock dividend	(501)	-
Net income available to common shareholders	$ 19,181	$ 17,900
Per Common Share:		
Earnings per share before		
extraordinary item - basic	$ 1.54	$ 1.48
Extraordinary item	-	(0.02)
Earnings per share - basic	$ 1.54	$ 1.46
Earnings per share - diluted	$ 1.54	$ 1.45
Common shares used in basic		
earnings per share calculation	12,422,433	12,297,622
Common shares used in diluted		
earnings per share calculation	12,436,230	12,327,986
Dividends declared per common share	$ 1.69	$ 1.64

</TABLE>

See notes to financial statements.

Sovran Self Storage, Inc.

Statements of Cash Flow
(unaudited)

<TABLE>
<CAPTION>

(dollars in thousands)	Jan. 1, 1999 to Sept. 30, 1999	Jan. 1, 1998 to Sept. 30, 1998
<S>	<C>	<C>
Operating Activities		
Net income	$ 19,682	$ 17,900
Adjustments to reconcile net income		
to net cash provided by operating activities:		
Extraordinary item	-	350
Depreciation and amortization	9,703	7,377
Minority interest	1,352	862
Restricted stock earned	75	5
Changes in assets and liabilities:		
Accounts receivable	16	(409)
Prepaid expenses and other assets	(748)	(659)
Accounts payable and other liabilities	3,314	2,695
Deferred revenue	(6)	67
Net cash provided by operating activities	33,388	28,188
Investing Activities		

Additions to storage facilities	(46,770)	(140,924)
Additions to other assets	(172)	(866)
Net cash used in investing activities	(46,942)	(141,790)
Financing Activities		
Net proceeds from issuance of common stock through Dividend Reinvestment and Stock Purchase Plan	5,832	-
Net proceeds from issuance of preferred stock	28,753	-
Proceeds from line of credit draw down	2,000	140,500
Dividends paid - common stock	(20,794)	(19,899)
Dividends paid - preferred stock	(501)	-
Purchase of treasury stock	(1,924)	(1,990)
Minority interest distributions	(1,452)	(964)
Redemption of operating partnership units	(261)	-
Mortgage principal payments	(9)	(500)
Net cash provided by financing activities	11,644	117,147
Net increase (decrease) in cash	(1,910)	3,545
Cash at beginning of period	2,984	2,567
Cash at end of period	$ 1,074	$ 6,112
Supplemental cash flow information		
Cash paid for interest	$ 10,591	$ 5,940

</TABLE>

See notes to financial statements.

Sovran Self Storage, Inc.

Statements of Cash Flow
(unaudited)

<TABLE>
<CAPTION>

Supplemental cash-flow information for the nine months ended September 30, 1999

(dollars in thousands)

<S>	<C>
Storage facilities acquired through the assumption of mortgages	$ 2,212
Fair value of net liabilities assumed on the acquisition of storage facilities	$ 445

Dividends declared but unpaid were $7,104 at September 30, 1999 and $6,895 at December 31, 1998

</TABLE>

See notes to financial statements.

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 period ended September 30, 1999 are not necessarily indicative of the results that may be expected for the year ended December 31, 1999.

2. Organization

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). Since its formation the Company has purchased a total of 148, (seventeen purchased and one sold in 1999, fifty in 1998, 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 September 30, 1999 to 221 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 Operating 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 Operating Partnership, and thereby controls the operations of the Operating Partnership holding a 93.59% ownership interest therein as of September 30, 1999. The remaining ownership interests in the Operating Partnership are held by certain former owners of assets acquired by the Operating Partnership subsequent to its formation. The consolidated financial statements of the Company include the accounts of the Company, the Operating Partnership, and the 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, 1999.

<TABLE>
<CAPTION>

(dollars in thousands)
<S> <C>

Cost:	
Beginning balance	$ 502,502
Property acquisitions	43,705
Improvements and equipment additions	7,335
Dispositions	(1,735)
Ending balance	$ 551,807
Accumulated Depreciation:	
Beginning balance	$ 21,339
Additions during the period	9,044
Dispositions	(122)

Ending balance	$ 30,261

</TABLE>

4. Unsecured Line of Credit and Term Note

The Company has a $150 million unsecured credit facility that matures February 2001 and provides for funds at LIBOR plus 1.25%. At September 30, 1999, the outstanding balance on the credit facility was $114 million. In 1998 the Company recorded an extraordinary loss on the extinguishment of debt of $350,000 representing the unamortized financing costs of the former $75 million revolving credit facility.

In December 1998, the Company entered into a $75 million unsecured term note that matures on December 22, 2000 and bears interest at LIBOR plus 1.50%.

The Company entered into interest rate swap and cap agreements to manage its exposure to interest rate changes. The swap involves the exchange of fixed and variable interest rate payments without exchanging the notional principal amount. At September 30, 1999, the Company had an interest rate swap with a notional amount of $55 million through December 1999. Under this agreement, the Company receives a floating interest rate based upon LIBOR and pays a fixed interest rate of 5.12% on the $55 million amount. The Company also has a LIBOR-based interest rate cap on $70 million of debt through June 2000 at 6.5%. Payments or receipts on the agreements are recorded monthly as adjustments to interest expense. The net carrying amount of the Company's debt instruments approximates fair value.

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, 1999, the Company had entered into a contract for the purchase of one facility with an expected cost of $1.85 million.

6. Pro Forma Financial Information

The following unaudited pro forma Condensed Statement of Operations is presented as if the 17 storage facilities purchased during the nine months ended September 30, 1999, had occurred at January 1, 1999. 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 share data)

<S>	Nine Months Ended September 30, 1999 <C>
Revenues:	
Rental income	$ 63,081
Other income	1,539
Total revenues	64,620
Expenses:	
Property operations and maintenance	12,709
Real estate taxes	5,431

General and administrative	3,877
Interest	10,077
Depreciation and amortization	10,042

Total expenses	42,136
Income before minority interest	22,484
Minority interest	(1,440)

Net income	21,044
Series B preferred stock dividend	(2,216)

Net income available to common shareholders	$ 18,828
	================
Earnings per common share - basic	$ 1.51
	================
Earnings per common share - diluted	$ 1.51
	================
Common shares used in basic earnings per share calculation	12,463,632

</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. 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 $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 costs 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

The Company reports earnings per share in accordance with Statement of Financial Accounting Standards No. 128, "Earnings Per Share." The following table sets forth the computation of basic and diluted earnings per common share:

<TABLE>
<CAPTION>

(in thousands, except per share data)	Nine Months Ended Sept. 30, 1999	Nine Months Ended Sept. 30, 1998
	-----------	-----------
<S>	<C>	<C>
Numerator:		
Net income available to common shareholders	$ 19,181	$ 17,900
Denominator:		
Denominator for basic earnings		

per common share - weighted average shares	12,422	12,298
Effect of Dilutive Securities:		
Stock options	14	30
Denominator for diluted earnings per common share - adjusted weighted average shares and assumed conversion	12,436	12,328
Basic earnings per common share	$ 1.54	$ 1.46
Diluted earnings per common share	$ 1.54	$ 1.45

</TABLE>

9. Preferred Stock

On July 30, 1999, the Company issued 1,200,000 shares of 9.85% Series B Cumulative Redeemable Preferred Stock. The offering price was $25 per share resulting in net proceeds of $28.8 million after expenses. The Series B Preferred Stock is not redeemable prior to July 30, 2004, after which the Company may redeem the shares at a redemption price of $25 per share, plus any accrued and unpaid dividends. Cash dividends at a rate of 9.85% per annum of the $25 per share liquidation preference (equivalent to $2.4625 per annum per share) are payable quarterly in arrears on the last day of each March, June, September and December. The Company paid a dividend of $0.417 per Series B preferred share for the period July 31, 1999 through September 30, 1999.

10. Recent Accounting Pronouncements

In April 1998, the AICPA issued Statement of Position 98-5 (SOP 98-5), "Reporting on the Costs of Start-Up Activities", that is effective for fiscal years beginning after December 15, 1998. SOP 98-5 requires start-up activities and organizational costs to be expensed as incurred. The pronouncement had no effect on the Company.

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). In June 1999, the FASB issued SFAS 137, which defers the effective date of SFAS 133 to fiscal years beginning after June 15, 2000. SFAS 133 establishes accounting and reporting standards for derivative instruments and hedging activities. Under the statement certain derivatives are recognized at fair market value and changes in fair market value are recognized as gains and losses. The adoption of SFAS 133 is not expected to have a material impact on the financial position or results of operations of the Company.

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 221 self-storage facilities, providing storage space for business and personal use to customers in 21 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 Act of 1933, and in Section 21E of Securities Exchange Act of 1934. 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, but are not limited to, 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; the Company's ability to successfully implement its Uncle Bob's Flex-a-Space strategy; the Company's cash flow may be insufficient to meet required payments of principal and interest; and tax law changes which may change the taxability of future income.

Liquidity and Capital Resources

Revolving Credit Facility

The Company has a $150 million unsecured credit facility that matures February 2001 and provides for funds at LIBOR plus 1.25%. The Company intends to use funds available from this credit facility to finance future acquisition and development plans described below. At September 30, 1999, the outstanding balance of the unsecured credit facility was $114 million.

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, 1999, 853,037 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 in those new markets. In the three months ended September 30, 1999, the Company increased its presence in Florida by purchasing a property in Cocoa, Florida and acquired one property in Maine. The two acquisitions added 109,562 square feet of space and 1,122 rental units to the Company's portfolio.

Future Acquisition and Development Plans

The Company has entered into a contract for one property with a purchase price of $1.85 million, with an expected closing in November 1999. The closing is subject to several customary conditions including, among other things, satisfactory completion of due diligence.

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

For the three-month period ended September 30, 1999, the Company repurchased 83,200 common shares under a program authorized by the Board of Directors in 1998. Since the inception of the program, 158,900 common shares have been repurchased by the Company.

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 may be provided by borrowings pursuant to the unsecured credit facility, a moderate layer of secured debt, and/or a joint venture acquisition partnership.

On July 30, 1999, the Company completed the offering of 1.2 million shares of 9.85% Series B Cumulative Redeemable Preferred Stock. The offering price was $25 per share resulting in gross proceeds of $30 million. The net proceeds of $28.8 million were used to reduce outstanding indebtedness on the Company's credit facility.

At September 30, 1999, the Company had $36 million available under the unsecured credit facility.

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 nine months ended September 30, 1999, 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, 1999 and September 30, 1998.

For the period January 1, 1999 through September 30, 1999 (dollars in thousands)

The Company reported revenues of $62,627 during the period. Included in the total revenues is a gain of $686 resulting from the sale of a facility in Tennessee for $2,500. The Company incurred $17,581 in operating expenses, resulting in net operating income of $44,360, or 71.6%. General and administrative expenses of $3,833, interest expense of $10,476 and depreciation and amortization expenses of $9,703 resulted in income of $21,034 before minority interest. Net income amounted to $19,682. The Company paid a Series B preferred stock dividend of $501 during the period resulting in net income available to common shareholders of $19,181.

Three months ended September 30, 1999, compared to three months ended September 30, 1998 (dollars in thousands)

The following discussion compares the activities of the Company for the three months ended September 30, 1999 with the activities of the Company for the three months ended September 30, 1998.

Total revenues increased from $19,107 for the three months ended September 30, 1998 to $22,570 for the three months ended September 30, 1999, an increase of $3,463 or 18.1%. Of this, $686 resulted from the gain on the sale of a facility in Tennessee, $2,015 resulted from the acquisition of 30 properties during the period July 1, 1998 through September 30, 1999 and $762 was realized as a result of increased rental rates at the 191 properties owned by the Company at July 1, 1998. Overall, same-store revenues grew 4.2% for the three-month period ended September 30, 1999 as compared to the same period in 1998.

Property operating and real estate tax expense increased $824 or 15% during the period. $658 was a result of absorbing additional expenses from operating the newly acquired properties, and $166 related to the operations of its sites operated for more than one year.

General and administrative expenses increased $145 principally as a result of the need for additional personnel and increased administrative costs associated with managing the additional properties.

Interest expense increased $423 due to the $12,500 drawn on the Company's line of credit and term note during the last twelve months.

Income before minority interest increased from $6,638 to $8,177, an increase of $1,539 or 23%.

During the quarter the Company introduced a new concept, Uncle Bob's Flex-a-Space. While the effect of the concept on near term earnings will be dilutive, the Company expects Uncle Bob's Flex-a-Space to contribute to profitability by the third quarter of 2000.

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 income before minority interest and extraordinary item, 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)	Nine months ended Sept. 30, 1999	Nine months ended Sept. 30, 1998
<S>	<C>	<C>
Net income	$ 19,682	$ 17,900
Minority interest in income	1,352	862
Depreciation of real estate and amortization of intangible assets exclusive of deferred financing fees and gain on sale	8,433	7,223
Extraordinary loss	-	350
Funds from operations allocable to minority interest	(1,895)	(1,212)
Preferred dividends	(501)	-
FFO available to common shareholders	$ 27,071	$ 25,123

</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.

Impact of the Year 2000

The Company employs several different computer systems for financial reporting, property management, asset control and payroll. These systems are purchased by the Company from third parties and therefore there is no internally generated programming code. The Company has been assessing and testing its systems to determine if its hardware and software will function properly with respect to dates in the Year 2000 and thereafter, and no significant problems were noted. The Company's critical applications relating to financial reporting, property management and asset control have been updated to Year 2000 compliant versions within the last year as part of the normal maintenance agreements.

The Company communicates electronically with certain outside vendors in the banking and payroll processing areas. The Company has been advised by these vendors that their systems are or will be Year 2000 compliant. The Company has identified and evaluated certain other systems that may be impacted by the Year 2000, such as gates, security systems and elevators. The Company expects the implementation of any required solutions to be completed by December 31, 1999, and the cost to be less than $50,000. The Company is not aware of any other vendors or suppliers for whom the Year 2000 would materially impact the Company's business and there are no means of ensuring that outside companies will be compliant.

The Company will continue to address the Year 2000 throughout 1999 and has developed a contingency plan if the implementations are not completed timely. Under a worst case scenario, the Company will have the ability to revert to a manual system to operate its self-storage stores if any issues with the Year 2000 are encountered. Despite the approach being taken to prevent a Year 2000 problem, the Company cannot be completely sure that issues will not arise, or events will not occur that could have material adverse affects on the Company's results of operations or financial condition.

Year 2000 costs and the date on which the Company believes that it will be Year 2000 compliant are based upon management's best estimates that were derived utilizing numerous assumptions of future events. There can be no assurance that these estimates are achievable and actual results could differ materially from estimates.

Quantitative and Qualitative Disclosure About Market Risk

The Company manages its exposure to interest rate changes by entering into interest rate swap agreements. There have been no material changes to the Company's exposure to interest rate risk since December 31, 1998.

Part II. Other Information

Item 1. 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 $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 costs 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 2. Changes in Securities

On July 30, 1999, the Company issued 1,200,000 shares of 9.85% Series B Cumulative Redeemable Preferred Stock with a liquidation preference of $25 per share ("Series B Preferred Stock"). The offering price was $25 per share resulting in net proceeds of $28.8 million. The proceeds were used to reduce outstanding amounts on the Company's bank credit facility. The Series B Preferred Stock is not redeemable prior to July 30, 2004, after which the Company may redeem the shares at a redemption price of $25 per share, plus any accrued and unpaid dividends. Cash dividends of $2.4625 per annum per share are payable quarterly in arrears on the last day of each March, June, September and December.

Item 3. Defaults Upon Senior Securities

No disclosure required.

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

No disclosure required.

Item 5. Other Information

No disclosure required.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3. Articles Supplementary to the Amended and Restated Articles of Incorporation of the Company classifying and designating the 9.85% Series B Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 1.6 filed with the Company's Registration

Statement on Form 8-A dated July 29, 1999).

27. Financial Data Schedule

(b) Reports on Form 8-K

On July 30, 1999 the Company filed a Current Report on Form 8-K in connection with the public offering of 1,200,000 shares of its 9.85% Series B Cumulative Redeemable Preferred Stock.

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 12, 1999 By: /S/ David L. Rogers
- ----------------- --------------------
Date David L. Rogers, Secretary, Chief Financial Officer

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