



# GEORGIA

## A LOOK AT THE NUMBERS

### Peaches in Georgia

By R. Christian Sonne

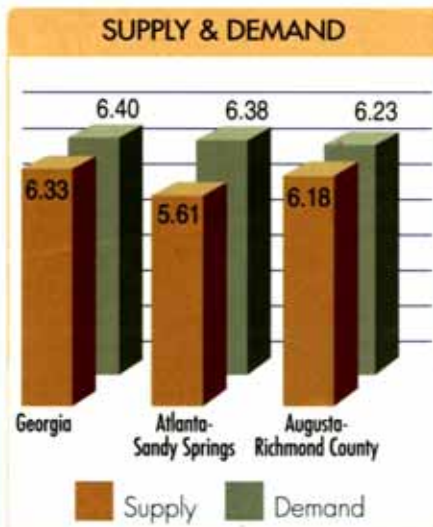
Like a solid peach crop, self-storage market conditions are generally at equilibrium in Georgia and the Atlanta-Sandy Springs-Marietta CBSA (core based statistical area). However, there are some bad apples due to pressure of over-supply in Augusta-Richmond County GA-SC CBSA. The data is based on peer group analysis and is published for all 50 states and top 100 CBSA's in the country in the 2007 *Almanac*.

Finding the good fruit of self-storage is location specific. Self-storage is a

neighborhood or trade area specific game. Farming good locations can be as simple as a detailed analysis of existing supply. If occupancy is less than 90 percent with a lot of concessions, it suggests market conditions may not be ripe for development. The econometric model used in this analysis considers existing supply and forecasts demand based on four demographic variables: population, percentage of renters, average household size and average household income. Yet, good farming can rely on technology and also good hard work. Analyzing existing supply is hard work, but is critical to harvesting a high yield crop.

As the competition increases in the asset class, careful (neighborhood specific) market analysis is critical to successful development and operations of self storage, particularly in markets with pressures of over-supply. In the near term, market conditions appear to be near equilibrium in Georgia suggesting a bumper crop of peaches and self storage.

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Source: Cushman & Wakefield's Self Storage Industry Group