



# GASSA

## Georgia Self Storage Association

**HAPPY NEW YEAR!**

**NEWSLETTER**  
Issue 1 | January, 2017

### Introducing the 2017 GASSA Board of Directors:

\*FMD - Full Member  
Director

\*AMD - Associate Member  
Director



**Stacey Gorman - FMD\*  
President  
Tucker Self Storage**  
Stacey Gorman is the Director of Self Storage and Vice President at Marcus & Millichap. She has been an active member of GASSA for over 14 years. With her extensive knowledge of the Self Storage industry she is considered to be a trusted advisor by many storage owners over the years.



**Richard Williams - FMD\*  
Vice President  
U-Haul of Atlanta North**  
Richard Williams has been with U-Haul for 19 years as a District Certifier for 10 years and also as an Area Manager. He is also a U.S. Navy Veteran. In Richard's free time he enjoys spending time with his family. He also loves to help get things done.



**M. Anne Ballard - FMD\*  
Past President  
Universal Storage Group**  
Anne Ballard is former Founder and President of Universal Management Company, former GASSA President, and past Board member of the SSA as well as Senior Faculty member for the SSA's Regional Supervisor's program. Universal manages Self Storage facilities in GA, VA, SC, NC, LA, AL, FL, TN, CO, NY, PA and OK. Anne is now President of Marketing, Training and Developmental Services for Universal Storage Group.



**John Arnold - AMD\*  
Bellomy & Co.**  
John Arnold opened the Atlanta office for Bellomy & Co in 2015. The company, founded in Austin, TX, has focused exclusively on the brokerage of self-storage facilities across the US for 10 years. John works with clients across the Southeast to maximize the value of their existing self-storage facility or development.



**Jason Bohman - AMD\*  
SOS Security Systems**  
Jason Bohman has been involved in the design, installation and service of Electronic Security Systems for 14 years, most of which have been in the self-storage industry. Jason has been associatively credited with an "ISS Facility of the Year" in 2007, and more recently a "GASSA Facility of the Year" in 2015. He has been associated with over 100 new "ground-up" self-storage buildings in the southeast US, working closely with Owner/Developers and General Contractors as partners.



**John Colclough - FMD\*  
Broward Development, LLC**  
John Colclough has been in the self-storage industry since 1987, as an investor, broker and developer. He served as Director of Acquisitions for Sovran Self Storage for 12 years and was responsible for 150+ properties acquired. John has brokered in excess of \$200,000,000 in self-storage properties and developed 20 class "A" storage properties in the southeast US. He is a licensed Georgia real estate broker and a licensed real estate instructor.



**Wilson Covington - FMD\*  
SpaceMax Storage**  
Wilson has been in the self-storage industry for 10 years and has helped develop 7 storage facilities in the Metro Atlanta market. He is in charge of managing daily operations, marketing, and oversight of all employees for each of their 4 facilities. Wilson earned his Commercial Real Estate license 4 years ago and has helped Childress Klein Properties locate sites around the Southeast.



**Lou Erenhalt - FMD\*  
Old Ellis Storage**  
Lou Erenhalt is a storage owner for the past three years. He also owns a construction company that specializes in Asphalt and concrete repair along with some outdoor lighting. They have been performing loop replacement and repair work around apartment complexes and storage facilities for the past 7 years.



**Cliff Hite - FMD\*  
Stein Investment Group**  
Cliff Hite has been involved in operations of self-storage facilities for over five years. Prior to entering the self-storage industry Cliff was in multi-unit retail management. Cliff is the Vice President of Operations at Space Shop Self Storage, responsible for daily operations of the Space Shop Self Storage portfolio.



**Jasmine Allen Jones - FMD\*  
Absolute Storage Management**  
Jasmine is originally from Jasper, FL. Upon graduation from the University of Florida in 2001, she relocated to Atlanta to work for an insurance firm. She began working in the Self-Storage Industry in 2005 at Devon Self Storage. She has been with Absolute Storage Management for 8 years, and has been a Regional Manager for six of the eight years.

# LEGAL CORNER - *By Scott Zucker*

## What is an Administrative Fee?

There has been increased focus, recently, on the number and types of fees being charged by self storage companies. Concerns about fees have been limited primarily to late fees and lien fees, but lately the attention has turned to the purpose and value of the non-refundable fee paid by the tenant upon move in and commonly called the "administrative fee". The question becomes, "What is the fee for?"

If we were to look at the history of the administrative fee, it appears to have evolved in response to the decision by operators to stop charging a refundable cleaning deposit upon tenant move in. These "cleaning" deposits, many of which are provided for directly from the statutory language in state self storage lien laws, created a fund from which the operator could reimburse itself when it incurred excess costs to clean out a unit after a tenant vacated. But these up-front deposits became an obstacle to leasing when a tenant had to come up with not only a month's rent, but also an additional full month's rent as a deposit. In response to objections regarding this deposit (and due to competition over prospective tenants), the deposit was dropped and appears to have been replaced by this non-refundable administrative fee that is substantially less than the one month cleaning deposit.

Arguably then, the administrative fee provides additional funds for the operator as a contingency against the cost to empty units that are not cleaned out. But since the fee is non-refundable, it has instead become a fee related to the costs incurred by an operator to "set-up" a new tenant in the system. In other words, it became a fee to cover the general costs of running the business rather than a fee charged to pay for a specific expense.

The amount of the fee is not regulated and is instead being driven by market forces. An operator would hesitate to charge a \$25.00 non-refundable fee upon move in if its closest competitor was charging only \$10.00. Those market forces may explain why some operators have now elected to include a new lock for their customers as part of the administrative fee.

It is important for an operator to be aware of the reason(s) why they are charging this up-front fee, when asked by a prospective customer. Since general administrative fees are typically used to pay general business expenses, an operator could simply explain that the fee is charged

for that purpose. Another way to explain the fee may be to connect the cost of the tenant set-up to the fee being charged.

It is also important for an operator to make clear to their tenants that this fee is not part of the monthly rent. One reason this clarification is important is to distinguish that the one-time fee is independent from any rental discount program. For example, advertising "pay \$1.00 rent the first month" would need to specify that the non-refundable administrative fee would still have to be paid.

Albeit a less significant fee than late fees or lien fees, an administrative fee is still a fee subject to scrutiny. As such, a self-storage facility operator must understand what the fee is for and be prepared to answer tenants' questions about its purpose.

Until next month - Happy storing!

**Scott Zucker** is a partner in the law firm of Weissmann Zucker Euster Morochnik P.C. in Atlanta, Georgia. Scott specializes in business litigation with an emphasis on real estate, landlord-tenant and construction law. Scott is a frequent lecturer at national conventions and is the author of *Legal Topics in Self Storage: A Sourcebook for Owners and Managers*. He is also a partner in the Self Storage Legal Network, a subscription-based legal service for self storage owners and managers. Scott can be reached at 404-364-4626 or at [scott@wzlegal.com](mailto:scott@wzlegal.com).



# SPOTLIGHT-

## Lou Erenhalt Owner Old Ellis Storage

### TELL US YOUR BIO IN ABOUT 3-5 SENTENCES.

I am a storage owner for the past three years. I also own a construction company that specializes in Asphalt and concrete repair along with some outdoor lighting. We have been performing loop replacement and repair work around apartment complex's and storage facilities for the past 7 years.

### WHAT INSPIRED YOU TO ENTER THE SELF-STORAGE INDUSTRY?

I was looking for a more passive income. I also enjoy working with people.

### TALK ABOUT SOME POSITIVE ATTRIBUTES AND CHALLENGES THAT THE INDUSTRY FACES.

The positives are we supply and fill a need in the world today. The storage business offers owners the opportunity to help and get involved in their communities. It also gives us the opportunity for a passive income and to grow into an evolving industry. The challenges are always security, personnel and payment issues.

### WHAT HAS BEEN AN IMPORTANT LESSON YOU'VE LEARNED SINCE WORKING IN THE SELF-STORAGE INDUSTRY?

Employees can make or break your business. 2cd  
Negotiation is key.



### WHAT ADVICE WOULD YOU GIVE TO A NEWCOMER?

Do your market research thoroughly. Plan a very good security system in cameras and alarms.

### WHAT DOES THE FUTURE OF SELF-STORAGE LOOK LIKE FOR YOUR REGION AND YOUR COMPANY?

Future is looking bright. We have a lot of new growth in the area and mostly in townhomes and condo's. These are one of the types of people who need and use self storage.

**FOR SALE**  
**Self Storage - 2 Locations**  
Chattanooga, TN Area  
**By Owner**  
54,000 +/- SF Climate & Non  
**\$1.8 Million**  
**(941) 232-5391**



**Fewer Headaches,  
Higher Income.**



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## Don't forget to renew and join to receive GASSA member benefits all throughout 2017!

GASSA offers outstanding educational sessions, networking opportunities, legal support and more! For only \$250 you can become a member today! [Click here to join!](#)

### GASSA membership offers these distinctive advantages:

- Access to the Georgia Self-Storage approved rental lease – updated annually by our legal counsel.
- Access to member/vendor directories.
- Member newsletters which bring up-to-the-minute news as well as tips and features of GASSA members.
- Unparalleled networking opportunities – GASSA members gain knowledge from each other.
- Discounts on Monthly Luncheons – held the 2nd Tuesday of the month in Atlanta and periodically throughout other Georgia areas
- National SSA affiliation – GASSA partners with SSA to keep you posted on national news to enhance our statewide actions and benefits.
- Annual Expo – held in the Fall, the GASSA Convention & Expo offers networking, education and vendor meeting opportunities to help you stay competitive.
- Legislative Advocacy – representation on pertinent issues at the Georgia State Capital.

[Click here to join!](#)



## Marcus & Millichap

### THE GORMAN SELF STORAGE GROUP

Premier Self Storage  
Brokerage Advisory Services

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