

# NATIVE INTELLIGENCE

2025





# CHANGE

It is hard to believe that NORTON began its annual forecasting in 1987 with an eight-page stapled business report on the State of Hall County and North Georgia. Now, 38 reports later, we have continuously addressed change, analyzed change, and projected change throughout the hills and valleys of our region.

The changes we have witnessed transcend population, politics, business, industry, education, growth, leadership, commerce, and human kindness.

Our community vibrancy has accelerated, has hit bumps, and detours have been taken, but what North Georgia and NORTON has done best is to embrace CHANGE...just like the iconic Buffalo, our firm's SPIRIT ANIMAL, we have faced and powered through various storms all along the way.

As a business in its 4<sup>th</sup> generation, and soon to celebrate its centennial birthday, we have learned to *THRIVE ON CHANGE*. It is now in our DNA. We understand the need to anticipate business cycles, pivot around obstacles, and adapt to the evolutionary effects of our business: INSURANCE, REAL ESTATE, MANAGEMENT, and INVESTMENTS. Each day we marshal our resources to make our firm stronger and the communities we call home more sustainable.

We are NATIVES and we work each day serving our God, our neighbors, our clients, and our friends. Join us on this glorious journey.



**Frank K. Norton, Jr.**  
*Executive Chairman  
Chief Investment Strategist  
Norton Legacy, Inc.*



**Robert V. Norton**  
*Executive Chairman  
Legacy Risk Solutions, LLC  
President  
Norton Insurance*



**Thomas A. Howard**  
*President/CEO  
Norton Brokerage Services*



BUILDING COMMUNITY

Cover photo Travis Massey

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The views expressed herein reflect our views of North Georgia, our views of our future and our views on the opportunities and obstacles in front of us. **We own it**...the Data, the Interpretations and the Human Spirit that drives us forward.

**www.nortonintelligence.com**

Norton’s Annual Forecast features our interpretations, thoughts, and commentary on North Georgia’s market conditions. Dovetailed with this effort, Norton has built a vault of back-up regional community data. Accessible to the public, Norton friends and especially our clients. The portal is:

**www.nortonintelligence.com**



Norton Native Intelligence™ staff has spent thousands of hours building and maintaining a robust platform of historical and current community data at your fingertips in order to educate and power our clients forward through the storm of economic business and regional change. We invite you to explore further.

All data and research have been drawn from sources Norton deems reliable.

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# COMMENTARY ON HOUSING

Half the price of new home construction...with a stroke of a pen.

Seems incredible, doesn't it? What if I could tell you that we could reduce the cost of new home construction by 50%, create a ground swell of development across the country and double the new home construction labor force within a five-year period? The result would be transformational for an industry, its contractors, developers, subcontractors, material suppliers, raw material suppliers, transports, REALTORS®, mortgage brokers, appraisers, surveyors, and a host of other associate trades. It is estimated that the industry affects a 12 million direct workforce and another 20 million by association. A New Home price slash would reverse the American home ownership slide.

In 2006, 69% of Americans own vs 2024 where 63% Americans own their home.

A major home price correction would also **en vigor** the development of the millions of new homes across the next ten years. The National Association of REALTORS® estimates that our Nation's home supply is 6 – 8 million homes short of sustainable demand. (2024)

The housing industry accounts for 30 to 42% of this country's **GNP** when incorporating home construction, land development, household goods, and services. Since 2007, the stalled housing component has dragged down consumer confidence/consumer conditions and the disappearance of the America Dream. The unintended consequence is that it has put on the American spirit.

## The American Dream is all about Hope:

- **Hope for economic progress.**
- **Hope that the fruits of progress will be widely shared.**
- **Hope that people will pull themselves up by their own bootstraps.**

In the past few decades this hope has dwindled, economic growth slowed, inequality rose, all moving to opportunity. The classic path to upward mobility doesn't work so well anymore.

Early in the 20th century, local governments started overruling private property rights. So, while housing regulations prey on our fears of anything that might go wrong, it will overlook everything that typically goes right with development. The reality is the private sector, not the public sector, has built homes for over 99% of Americans not the federal, state, or local government. Zoning restrictions are supply constraints. Basic economic theory predicts, and many studies confirm, that housing markets in which supply cannot keep up with demand will see housing prices rise. Americans spend about 30% of their budget on housing. This is an issue of enormous consequences.

Housing regulations are very popular especially with homeowners for "protecting their property values." Laymen neglect the effect of regulations on housing affordability. Laymen exaggerate the negative byproducts of freer developments.

Some communities just zone projects out of existence.

---

*"You can build but  
you cannot block the sun."*

*"You are free to build on 1%  
of your land."*

*"You are free to build but  
we need a park."*

*"You are free to building but  
only single homes."*

*"You are free to build but half your units  
must be low-income housing."*

---

But in reality, our zoning and construction codes are **Manufacturing Scarcity**. Zoning codes, "Trade Association Standards," impact fees, environmental protection, climate protections are woven together to prop up the American House price or self interest of sub-contractor trades.



*“You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.” R. Buckminster Fuller*

Many economists estimates that serious housing deregulations would cut the average U.S. house price by 50%.

In 2017 – 2018, Norton Native Intelligence™ (did its own part by part code by code dissection) of home cost vs government regulation. We discovered that on average, we spent **37%** of the actual cost of nine homes we co-developed with Stephen Lovett called “The Cottages on Enota.”

Norton Native Intelligence™ believes regulations should be minimally invasive – strong enough to fix specific social, health, and welfare issues while avoiding negative side effects.

Support for radical housing deregulations is better known by another name, YES IN MY BACK YARD (Yimby’s). The whole point of deregulation is to push housing prices down by increasing supply. Cut regulations page by page, dollar by dollar, and the herculean goal of 50% home cost reduction gets so much closer.



**Frank K. Norton, Jr.**

|                          |  |
|--------------------------|--|
| Childhood Ambition:      | Dentist                                |
| Indulgence:              | Zacapa XO                              |
| Last Purchase:           | Bananas                                |
| Most Unusual Gift:       | A 13lb dog named Bear                  |
| My Hero:                 | Hercules                               |
| First Car:               | Used 1962 Hall County Red Cross Car    |
| Inspiration:             | The bright eyes of my grandsons        |
| Proudest Accomplishment: | Finding my wife                        |
| Perfect Day:             | Tending my farm                        |
| Favorite Movie:          | Raiders of the Lost Ark, Indiana Jones |
| Favorite Song:           | Crazy by Gnarl's Barkley               |
| Favorite Singer:         | Tina Turner                            |
| My Life:                 | Is a Whirlwind of Positive Energy      |
| My Company:              | Norton Legacy                          |





# 2024-2025 GAME CHANGERS





# 2024-2025 GAME CHANGERS

Have you ever noticed that when the tide turns one way or another in a football, soccer, basketball, or baseball game that the sports commentator refers to that moment (score, fumble, fowl, or injury) as a GAME CHANGER.

The same phrase can be positioned upon certain trends, events, or incidents that forever changes the momentum of our industry or community. GAME CHANGERS. Norton Native Intelligence™ “Game Changers” reflect the collective input of our commercial and residential associates, management, and outside investors. We are continuously asked market questions, we are continuously challenged on our research, therefore we spend hours reading, listening, and studying various aspects of our region. This allows us to compile a list of 2024/2025 Game Changers.

## Here are Norton Native Intelligence™ Top 2024/2025 Game Changers:

1. Still the Best Place on the Planet.
2. Old Market, New Market Economics.
3. Building on Scraps.
4. Development Cost Hit the Stratosphere.
5. Pounded back to the Stone Age.
6. How is the Next Generation going to create Wealth?
7. Moratorium against Sprawl is Everywhere.
8. Growing Homeless.
9. Multi-Generational Housing.
10. Lake Lanier’s 2024 revisited.

Ten Game Changers for the 2024 year woven together continue to signal our strength in the market over individual divergent visions. Our market steadily marches forward. Without question, the pains of growth will continue to challenge our communities, strain our limited resources, and pressure our ability to maintain our lifestyle. 2025 is not a turning point, or a watershed year, but simply a continuance of forging a strong foundation in which to provide a quality of life and employment for our children, enrich our social and spiritual being, and build toward a brighter future.

## 1. STILL THE BEST PLACE ON THE PLANET

We have just emerged from the media dust storm and hurricane wind forces of our Nation’s most tumultuous election. In this age of winners, regardless of your party affiliation or left, right, center, the clear winner is still “AMERICA.” In the words of one of Norton’s best International investors:

*“America is the LAST BEST place  
to invest your money.”*

In one of our “spirited” Commercial and Acreage Group discussions on our Top Ten Trends, two of our successful young Associate Rockstars, Zach Tibbs and C.J. Harman, in unison said, “our trends are too negative, too disruptive. There is still so much good and so much opportunity...” and they are RIGHT. As you continue to read through our trends and commentary, read them with this perspective:

**“There is still so much good and so much opportunity, American is the last BEST place to invest your money.”**

From a global perspective, the United States of America’s capitalistic empire is still envied and copied. Country by Country, they point to various USA strengths and their resiliency. Like America’s symbolic icon, the American Buffalo (Bison), we as a nation face the political economic and social storms in front of us and plow through them carrying our herd with us. A great example is the days and weeks after the devastating Hurricane Helene. It was the average American citizen, American churches, and American business communities that gathered up much needed supplies such as generators and food rather than wait for government assistance (FEMA) and delivered to those that were hit the hardest.

We applaud businesses like North Georgia’s own *Syfan Logistics* who, with only a goal of

3 tractor trailer, mobilized over 42 tractor trailers for delivery. Did anyone hear of England, Spain, the European Union, Ukraine, or Saudi Arabia coming to our rescue? **CRICKETS...**

It's AMERICA. To paraphrase an old sayin'... "we may be the cleanest dirtiest shirt" in the laundry but we stand tall on the world stage and roll up our sleeves to shovel the mud, put out the fires, invest in other's infrastructure, and stand side by side demonstrating kindness and the true face of freedom. James Carville/Bill Clinton said it best, "It's the economy... Stupid."

Our economy, our entrepreneurial spirit, our capitalist based industrial machine, our driven education system, and our 237-year American Dream of betterment, prosperity, and resiliency. This has made us the fabric of ingenuity, economic prosperity, and the envy of the world.

In this era of media talking puppets and social discourse, we challenge you to take the proper perspective, to appreciate America, it's overall Goodness, its Uniqueness, its Diversity, its Progress, and its Vision.

***AMERICA...the last BEST place  
to invest your money!***

## 2. OLD MARKET • NEW MARKET ECONOMICS

One of the most interesting trends uncovered this year by our sales force is the increasing disparity between what they call the gap between two retail development economics. Simply put, Norton Native Intelligence™ sees a wide margin between retail construction and the rental rates pre-covid and post-covid. It translated into a huge economic swing. Let's call it BC. Before Covid and AC, After Covid.

Rates have surged. Traditionally we have charted the difference between first generation (new) retail space and second-generation (older space). Traditionally this has also been a 10 -15 year age gap. The current trend is in essence 3 - 5 years.

Norton Native Intelligence™ notes this price point surge is occurring in all new products; Residential, Multi-Family and Medical Offices. Norton developed a Medical Office Building in Braselton in 2017 (Highpoint) with base rental rates of \$28 to \$29 per SF NET and with a development cost of \$250 per SF. In 2024, we were asked by a highly qualified user to price out a 20,000 SF building addition to that same building. Even with design savings, because it's only space addition (no need for core, utilities, elevator, or common bathrooms), the cost had surged to \$450 - \$475 per SF translating into a PSF cost of \$50 - \$52 PSF. With that sticker shock, the user paused.

## POPULATION BY COUNTY

| County    | 2000 Population | 2020 Population | 2040 Projection |
|-----------|-----------------|-----------------|-----------------|
| Banks     | 14,422          | 18,035          | 55,000          |
| Barrow    | 46,144          | 83,505          | 110,000         |
| Cherokee  | 141,903         | 266,620         | 375,000         |
| Dawson    | 15,999          | 25,277          | 51,000          |
| Fannin    | 19,798          | 25,797          | 32,500          |
| Forsyth   | 98,407          | 251,287         | 380,000         |
| Franklin  | 20,285          | 23,424          | 42,000          |
| Gilmer    | 23,456          | 31,353          | 41,000          |
| Gwinnett  | 588,448         | 957,062         | 1,320,000       |
| Habersham | 35,902          | 46,034          | 67,000          |
| Hall      | 139,311         | 203,136         | 310,000         |
| Hart      | 23,046          | 25,828          | 34,000          |
| Jackson   | 41,589          | 75,907          | 160,000         |
| Lumpkin   | 20,986          | 33,488          | 40,000          |
| Madison   | 25,730          | 30,120          | 39,000          |
| Oconee    | 26,225          | 41,799          | 47,000          |
| Pickens   | 22,983          | 33,216          | 40,000          |
| Rabun     | 15,050          | 16,883          | 24,000          |
| Stephens  | 25,435          | 26,784          | 39,000          |
| Towns     | 9,319           | 12,493          | 18,500          |
| Union     | 17,289          | 24,632          | 33,000          |
| Walton    | 60,687          | 96,673          | 175,000         |
| White     | 19,944          | 28,003          | 45,500          |

SOURCE: CENSUS, NORTON NATIVE INTELLIGENCE

## THE SHIFTING GROCERY LANDSCAPE

|          |   |                |
|----------|---|----------------|
| <b>1</b> | 1. The Kroger Co.                       | \$22.1 billion |
|          | 2. Safeway Inc.                         | \$15.1 billion |
|          | 3. American Stores Co.                  | \$14.5 billion |
|          | 4. Winn-Dixie Stores Inc.               | \$10.8 billion |
|          | 5. The Great Atlantic & Pacific Tea Co. | \$10.5 billion |
| <b>2</b> | 1. Walmart Supercenters                 | \$115 billion  |
|          | 2. The Kroger Co.                       | \$56.9 billion |
|          | 3. Albertson's                          | \$38.4 billion |
|          | 4. Safeway Inc.                         | \$35 billion   |
|          | 5. Costco Wholesale Group               | \$28.3 billion |
| <b>3</b> | 1. Walmart Supercenters                 | \$421 billion  |
|          | 2. Costco Wholesale Group               | \$173 billion  |
|          | 3. The Kroger Co.                       | \$150 billion  |
|          | 4. Target                               | \$107 billion  |
|          | 5. Albertson's                          | \$79 billion   |

DATA SOURCE: DIRECTORY OF SUPERMARKET, GROCERY, AND CONVENIENCE STORES; EUROPEAN SUPERMARKET MAGAZINE

Construction costs, labor, materials, scarcity of labor and materials, increase regulatory costs, permits, impact fees, and land disturbance expenses are all contributing to the surge and the gross disparity between these two economic models.



Where will it end? It is anyone’s guess. Increasing construction costs and retail rates are being passed directly to each and every consumer... **OUCH!**

### 3. BUILDING ON SCRAPS

When we were children, our father dabbled in building houses, acting as a Developer and General Contractor. He would hire subcontractors while mom would pick the floor plans. His developments encompass Hall County from Flowery Branch to Murrayville and parts in between.

A time or two, we even moved into one of those homes rather than selling it to another family. One comment that has stuck with me into adulthood, “you make more money on a bad lot than you do on a good flat lot.” Dad loved basements (half or full), loved steep grades, old pond beds, and farm dump yards. **Dad loved a challenge!**

However, somewhere over the last 20 years, builder’s production of custom homes have stepped away from challenging terrains to land cut, level manmade terraces crafted across acres and acres of previous rolling terrains. Builders seeking production and time value of poured-in-place slabs and pre-engineered trusses have lost their appetite for CHALLENGES. Basements are “unicorns” in today’s new home market as we see the homogenization of 21<sup>st</sup> Century Housing. Yet the shear velocity of horizontal land development over the last 20 years have gobbled up all the easy terrains. What’s left are culls, waste land, rough terrains, and wet and dry creeks. In 2024 culls are “ENVOGUE” – because it is the only thing left.

#### The Easy Land to Develop is Long Gone....

Locals clearly understand North Georgia; Hall, Forsyth, Dawson, and North but most newcomers, builders, or developers all say, “can you show me some flat land?”

**Gina Johnson**



- Childhood Ambition: Surviving my crazy family
- Indulgence: Paddling Whitewater
- Last Purchase: Diamond tennis bracelet
- Most Unusual Gift: My very first drysuit
- My Hero: John Shelby Spong
- First Car: White Chevrolet Truck
- Inspiration: Richard Rohr
- Proudest Accomplishment: Atlanta Business Chronical Outstanding Land Deal of the Year
- Perfect Day: Paddling tandem canoe with my husband
- Favorite Movie: Star Wars
- Favorite Song: Chelsea Morning by Joni Mitchell
- Favorite Singer: Joni Mitchell
- My Life: Go with the flow
- My Company: Norton Commercial & Acreage Group

### NORTH GEORGIA COMPARATIVE TAX BASE

| COUNTY       | 2003                    | 2023                     |
|--------------|-------------------------|--------------------------|
| Banks        | \$468,329,232           | \$1,180,276,678          |
| Barrow       | \$1,348,815,628         | \$4,752,661,036          |
| Cherokee     | \$5,656,800,123         | \$21,375,329,395         |
| Clarke       | \$2,680,461,189         | \$7,571,384,066          |
| Dawson       | \$894,217,894           | \$3,080,688,722          |
| Fannin       | \$672,166,671           | \$3,238,327,009          |
| Forsyth      | \$5,966,432,494         | \$25,187,445,313         |
| Franklin     | \$649,192,010           | \$1,291,353,056          |
| Gilmer       | \$944,814,186           | \$3,128,131,393          |
| Gwinnett     | \$24,577,801,410        | \$66,077,176,780         |
| Habersham    | \$1,146,153,574         | \$2,281,348,923          |
| Hall         | \$5,081,298,907         | \$16,044,964,643         |
| Hart         | \$900,053,050           | \$1,750,327,417          |
| Jackson      | \$1,583,894,406         | \$7,243,244,003          |
| Lumpkin      | \$920,036,824           | \$1,803,426,325          |
| Madison      | \$521,137,667           | \$1,468,693,106          |
| Pickens      | \$984,199,313           | \$2,183,025,710          |
| Rabun        | \$1,162,612,931         | \$2,327,022,579          |
| Stephens     | \$642,667,408           | \$939,945,143            |
| Towns        | \$487,729,821           | \$1,381,224,614          |
| Union        | \$732,421,171           | \$2,828,070,696          |
| Walton       | \$2,043,254,257         | \$5,946,808,329          |
| White        | \$810,720,921           | \$1,663,813,474          |
| <b>TOTAL</b> | <b>\$60,875,213,090</b> | <b>\$184,864,690,433</b> |

SOURCE: GEORGIA DEPARTMENT OF REVENUE

Well, no they flooded it all to make Lake Lanier, so you got what you got!

What is left behind in some cases is just “acreage holding the world together.” Yet if it has municipal water and especially sanitary sewer, engineers (Rochester & Associates & Davis Engineering to name a few) can work magic with their land planning. Lot yields are impacted, cost developments end up with ribbons of green space, and stream buffers have amenities tucked in between what was previously unbuildable. It is also causing a scramble for open lots in aging subdivisions, leftovers next to creeks, power lines, and roadways. In today’s market, cost aside, almost any land is developable. Challenging as it may seem, demand is driving today’s bulldozers and basement are returning.

### 4. DEVELOPMENT COST HITS THE STRATOSPHERE

Everything is more expensive! We see it every day at the pumps, grocery stores, and the

restaurants. It is also more expensive to build a home or develop a piece of property. Rise in land prices, materials, taxes, and government fees impact the ability for builders and developers to provide an affordable product.

The rise in real estate development costs has been a significant trend in recent years, and it can be attributed to several factors:

**■ Labor Shortages and Wage Increases**

The construction industry has been facing a shortage of skilled labor, which has been worsened by factors like the aging workforce, fewer younger workers entering trades, and the impact of the COVID-19 pandemic. This has led to higher wages and increasing labor costs.

**■ Material Price Inflation**

Supply chain disruptions and ongoing global supply chain issues, worsened by the pandemic, have disrupted the availability of building materials like steel, wood, concrete, and electrical components.

The cost of raw materials like lumber, metals, and fuel has surged over the past few years. For example, the price of lumber saw extreme fluctuations, significantly adding to construction costs.

**■ Inflation and Economic Conditions**

Broader economic inflation, especially in countries with rising consumer prices, impacts construction materials, labor, and operational costs.

Potential tariffs from the new administration could possibly put a major strain on housing components coming from other countries. It is estimated that 90% of materials for new construction comes from other countries.

**■ Regulatory and Compliance Costs**

As building standards evolve, developers must meet more stringent environmental, safety, and sustainability regulations. This could include higher costs for energy efficiency, green materials, and waste management increased regulatory requirements for zoning and permitting can lead to delays and higher costs due to compliance needs. Additionally, most municipalities are imposing impact fees on construction to fund infrastructure improvements, further increasing the cost burden. Or in some cases, having developers build the infrastructure (i.e., water treatment, sewer) themselves and gifting it back to the municipality.

**■ Interest Rates**

With many central banks, including the U.S. Federal Reserve raising interest rates to combat inflation, borrowing costs for real

**NORTH GEORGIA MILLAGE RATES**

| County    | Millage Rates | County Taxes for a \$350k home |
|-----------|---------------|--------------------------------|
| Banks     | 20.35         | \$2,850                        |
| Barrow    | 28.80         | \$4,033                        |
| Cherokee  | 28.75         | \$4,025                        |
| Dawson    | 16.43         | \$2,301                        |
| Fannin    | 10.20         | \$1,427                        |
| Forsyth   | 24.61         | \$3,446                        |
| Franklin  | 23.80         | \$3,332                        |
| Gilmer    | 15.99         | \$2,239                        |
| Habersham | 25.00         | \$3,500                        |
| Hall      | 31.19         | \$4,367                        |
| Hart      | 15.44         | \$2,162                        |
| Jackson   | 26.14         | \$3,659                        |
| Lumpkin   | 23.52         | \$3,293                        |
| Madison   | 26.03         | \$3,644                        |
| Pickens   | 19.79         | \$2,771                        |
| Rabun     | 17.63         | \$2,469                        |
| Stephens  | 30.45         | \$4,263                        |
| Towns     | 10.74         | \$1,503                        |
| Union     | 11.81         | \$1,653                        |
| Walton    | 30.33         | \$4,246                        |
| White     | 22.68         | \$3,175                        |

SOURCE: GEORGIA DEPARTMENT OF REVENUE

estate developers have also risen. Higher financing costs can lead to increased project costs, as developers pass on the expense to buyers or renters.

**■ Land Costs**

In some urban areas, land costs have risen due to limited availability and high demand. As land becomes scarcer, developers face increased costs for acquiring property or redeveloping existing sites. Consumers and developers have chased cheaper land away from city centers also driving prices up in more rural areas.

**■ Demand for Luxury or Specialized Developments**

Many new developments are moving toward luxury or niche markets, such as high-end residential or commercial spaces, which require expensive finishes, and specialized materials. They could also require larger lot sizes minimizing the density and creating higher costs to the consumer.



**Impacts**

All these factors lead to higher final prices for homes and commercial properties, making it harder for some buyers to afford homes, especially in markets where demand outpaces supply. If costs continue to rise, some developers may scale back on projects or delay developments, leading to reduced supply in certain real estate markets.

Increased costs often translate into higher rents, further straining affordability for renters in areas with high demand.

In summary, the rise in real estate development costs is driven by a combination of external economic factors, supply chain issues, labor challenges, regulatory changes, and shifts in demand for more sustainable or high-end buildings. As these trends continue, the real estate market will need to adapt, possibly through more innovative building techniques, shifting construction methods, or alternative financing models.

# 5. POUNDED BACK TO THE STONE AGE

## RAIN WIND AND RAIN RAIN AND MORE RAIN

Over a period of 48 hours, North Georgia, North Carolina, South Carolina and eastern Tennessee, Hurricane Helene pounded, pelted, and tore through this already rain-soaked region:

|                  |                |
|------------------|----------------|
| Blowing Rock, NC | 16.91 inches   |
| Busick, NC       | 30.78 inches   |
| Highlands, NC    | 14.86 inches   |
| Augusta, GA      | 8 to 10 inches |
| Ashville, NC     | 13.98 inches   |

Mud slides, road, and interstate washouts, water delivery systems uprooted, power off for weeks, all a logistics upheaval. At this writing, the regional damage estimates are still being assessed but by estimates will surpass \$59 Billion in personal and infrastructure losses.

These regions literally and figuratively have been pounded back to the Stone Age. Over 227 lives were lost with a number of people still reported missing and an economy, at least in the mountain regions, that is largely based on fall tourism are now **WIPED** out. Weather scientists have warned that whatever is at

work, the intensity of weather and severity of destruction will increase in the decades ahead.

FEMA was caught flatfooted on this one... too little, too late. Were we prepared? No one is really prepared (examples: forests and landscaping preparing for wildfires and earthquakes in California). No one is ever prepared but we must be conscious to impending disasters and have a well-tuned blueprint of action when the “What If” actually occurs.

America has historically built our communities along fresh water, streams, and rivers all along the banks and hillsides. We also consider 100+ year flood events and build on high grounds. We never anticipated 12 to 24 inches of rainfall and swift rising water courses; much less getting flood insurance when our properties are clearly far away from any 100-year mapped flood zones.

In the Helene storm aftermath, insurance emergency contingencies, roads, and building construction standards must all be evaluated preventing us from ever, EVER having a repeat occurrence.

While we have been focused on our own region, back-to-back Hurricanes Helene and Milton which hit middle Florida Peninsula,” is forcing millions who relocated during the last ten years to Florida to reconsider that action. Those hit

**CJ Harman**



- Childhood Ambition: To be a dentist
- Indulgence: The Georgia Bulldogs
- Last Purchase: Landscape Items
- My Hero: My Dad
- First Car: White 1995 Chevrolet Silverado
- Inspiration: My family. From early in my career, my goals have always been aligned with leaving a lasting positive and successful legacy both professionally and personally for my self and my family.
- Proudest Accomplishment: Marrying my wife
- Perfect Day: A mix of hunting or just being outdoors
- Favorite Movie: Remember the Titans
- Favorite Song: Home by Alan Jackson
- Favorite Singer: Alan Jackson or Waylon Jennings
- My Company: Norton Commercial & Acreage Group

with losses and insurance company pullouts, have realized “no one is coming to save them” which is forcing them to go back to the basics of survival.

The collateral effects on our regions are myriad:

- First, every community must have a reasonable disaster and recovery plan – government, education, social, and business. If COVID taught us anything, it taught us the need to **pivot** everyday life and move forward.
- Infrastructure needs to be analyzed and weather proofed for 500- or 1,000-year floods, not 100-year, and our soils studied for super saturation and potential for slides.
- EV technology hates power interruptions and rising waters so federal government mandates must be reconsidered and relaxed to “optional” not “mandatory.”
- Expect a different kind of half back migration like hurricane’s Andrew and Irma, many folks living in those areas made decisions to relocate to safer, less dramatic weather prone areas statistically. We know that Valdosta and Albany were two migrating points that benefited from the last major catastrophic hurricane. We now hear of folks moving inland even further to areas such as Columbus, Macon, Atlanta, and Gainesville, Georgia.
- Most importantly, the insurance industry is battered and bruised. It may not survive in face of climate change. No solution in hand, just a cautionary word.

## 6. HOW IS THE NEXT GENERATION GOING TO CREATE WEALTH

“Homeownership is the legacy we create and the shelter we provide.” One of the greatest opportunities for wealth generation since the 1950’s has been through Home Ownership. A young couple or person buys their first home. They live in the home 7-10 years and create equity and see modest appreciation year over year. Their family grows and they need a bigger house. The equity they have created, and appreciation allows them to do this. They may even buy a larger house as their income increases and the need and/or want for space becomes more attainable. They become empty nesters, and they may downsize, build or buy their dream or forever home. But they continue to progress and purchase homes. They eventually retire with their home(s) being their largest asset. According to “The Zebra” the average person buys 3 houses in their lifetime. The average homeowner owns their home for around 15-16 years.

But what if this process never gets started? If young Americans are not creating wealth through home ownership, where does their money go? Can they even

create wealth and what do they invest in? The homeownership rate in the U.S. as of the first quarter of 2023 was 66%. The number of U.S. households increased by just 10.1 million from 2010 to 2020, fewer than in any other decade between 1950 and 2010. The homeownership rate among young adults (25-to-34-year-olds) has declined from 45% in 1990 to 41.6% as of 2021.

There continues to be a growing concern for “First Time Buyers” in the U.S. The challenges of the increase in home values since 2021 and the rise in interest rates make this a difficult situation for first time home buyers. Down payment becomes a large burden as a 30-year fixed conventional loan can call for 20% down. With a Georgia median home price of \$368,000 that would require over \$70,000 in savings. And this is before you pay for any improvements and furnishing the home.

According to the U.S. Census, 65.4% of Georgia households are owner-occupied. Nationally home ownership peaked in April of 2004 with 69.2% ownership. Today home ownership has declined to 65.6%. We anticipate this trend to continue if we do not create more affordable opportunities for first-time home buyers. With downpayment challenges and increased home prices, more people will be forced to rent. With an average rent of approximately \$1,800

**Kelly Moore**



|                          |   |
|--------------------------|---|
| Childhood Ambition:      | Veterinarian  |
| Indulgence:              | Helping people smile  |
| Last Purchase:           | Estes Rocket for Grandchildren  |
| Most Unusual Gift:       | To me – 18 <sup>th</sup> Century<br>Flintlock Rifle<br>From me – Antique Coca Cola<br>Santa Claus |
| My Hero:                 | Lewis Moore, Sr., my dad  |
| First Car:               | 1962 Ford Falcon  |
| Inspiration:             | Thomas Edison   |
| Proudest Accomplishment: | Restore an Austin-Healey  |
| Perfect Day:             | Christmas   |
| Favorite Movie:          | It’s A Wonderful Life   |
| Favorite Song:           | Mind Games  |
| Favorite Singer:         | John Lennon   |
| My Life:                 | My family, people, animals, home  |
| My Company:              | Norton Commercial & Acreage Group   |

that equates to an annual expense of \$21,600. That is a missed opportunity for building equity and wealth.

Home ownership for the next generation will continue to see challenges. Not only the cost of housing, but increased cost of all goods and services will limit their ability to save and therefore limit their ability to create wealth.

## 7. MORATORIUM AGAINST SPRAWL IS EVERYWHERE

Many communities around North Georgia have enacted a moratorium at one time or another. Some municipalities have used it more than some.

Moratoriums against urban sprawl have become increasingly common in various counties, particularly in places dealing with rapid population growth, and infrastructure limitations. These moratoriums are typically enacted to curb the uncontrolled expansion of urban areas into rural or undeveloped lands.

Moratoriums can be a useful tool, but we are seeing them more often. They are a crutch for however we community leaders to kick the proverbial can down the road and block newcomers from entering the community.

House Bill 514 was proposed in March of 2023 which would set a 180-day limit on any moratorium on zoning decisions related to single-family housing. It would also require a separate 180-day period to subsequently elapse before the same type of moratorium is enacted. The bill also allows local governments to waive certain zoning and permitting fees for single-family developments in which the homes are no larger than 2,500 square feet.

The state has grown concerned with communities locking the gates to their castles and stunting growth for local communities. The lack of housing growth shrinking supply also keeps inflated home prices hampering the opportunity for affordable housing.

Forsyth County Commission proposed in July of 2024 a fee schedule for commercial properties, including a charge of \$16,425 per 1,000 square feet (\$16.43 PSF) for new retail and commercial construction. The Forsyth Chamber proposed an alternative fee in Sept. of 2024 at \$2.45 PSF after listening to local business owners and developers and the negative impact such a high fee would have on the business community. The counties proposal would have been 85% higher than surrounding counties. Industrial, retail, office, and institutional developments currently do not pay impact fees in the county.

Implementing such a fee structure would strongly limit growth on commercial properties. The non-residential impact fee has not yet been approved but the commission did approve a 300% increase on new residential construction. In essence these fees act as a moratorium by discouraging developers from new projects.

Moratoriums can sometimes be a useful and a needed tool. However, the intended benefits of a moratorium can be offset by unforeseen negative outcomes, such as economic downturns and stunted community growth.

## 8. GROWING HOMELESS.

You can drive into almost any city in America and see homelessness. It isn't just a problem for large urban centers. You can find tent cities and panhandlers in Suburbia and small-town America. According to the Annual Homelessness Assessment report (AHAR) over half of Georgia homeless (6388) are in rural areas. No community is immune to homelessness. There is an immigration of homelessness; not crossing national borders but crossing county and city borders. Homelessness in the U.S. has increased by an alarming 12.1% year over year. However, Georgia has seen a decrease between 2007 and 2023 of Homeless Individuals by 29.9% but is still one of the highest rates at 61.1% homeless individuals. According to (AHAR) 12,294

**Josh Palmer**



- |                          |                          |
|--------------------------|--------------------------|
| Childhood Ambition:      | Professional Athletic    |
| Indulgence:              | Hot Wings                |
| Last Purchase:           | Groceries                |
| Most Unusual Gift:       | World Champion Whistler  |
| My Hero:                 | Tom Glavine              |
| First Car:               | 1977 Chevrolet Silverado |
| Inspiration:             | Family                   |
| Proudest Accomplishment: | Breaking 80 in Golf      |
| Perfect Day:             | Fishing                  |
| Favorite Movie:          | Pearl Harbor             |
| Favorite Song:           | Drive by Alan Jackson    |
| Favorite Singer:         | George Strait            |
| My Life:                 | Family                   |
| My Company:              | Norton Asset Management  |



Georgians experienced homelessness in 2023. 11 of every 10,000-experience homelessness. According to the Georgia Department of Community Affairs, in 2022 Hall County at a point in time (PIT) had 479 homeless. However, several community organizations believe there could be many more than are unaccounted for and the number is substantially higher. Sometimes even being dropped off from other communities to take advantage of the many services offered by Hall County. It is estimated that 90% have a substance abuse problem and/or criminal background. These factors make it difficult to change their circumstances as they are chronically unemployed. Mental health is one of the leading factors causing homelessness.

Homelessness is a community problem and a public cancer that unfortunately is overlooked because it does not appear to affect our daily lives. But this is a misnomer, as homelessness puts strains on our public services, Health care, charities, and, law enforcement. Large urban centers have lost schools and recreational centers are being turned into shelters to accommodate the growing homeless population.

As a community we need to search for solutions to this major issue. We are fortunate that, within our community, we have so many resources to help citizens with a variety of issues. And most of these organizations will touch on a piece of the issue of homelessness. However, we are only attacking small symptoms and not addressing the underlying cancer causing the issue. We need an organized approach with multiple organizations and community leaders where resources can be used efficiently and effectively. There is no magic wand or easy solution.

## 9. MULTIGENERATIONAL HOUSING.

Housing affordability, food cost, and increased living expenses are causing American families to re-think shelter and housing.

Multigenerational housing previously referred to two or more adult generations in the same house.

**Scott Clayton**



|                          |                                   |
|--------------------------|-----------------------------------|
| Childhood Ambition:      | Self-Employment                   |
| Indulgence:              | Fishing Equipment                 |
| Last Purchase:           | Farm Tractor                      |
| Most Unusual Gift:       | Parrot                            |
| My Hero:                 | Clint Eastwood                    |
| First Car:               | Ford Maverick                     |
| Inspiration:             | Dawn on the Ocean                 |
| Proudest Accomplishment: | Grounded Children                 |
| Perfect Day:             | No items left on the list         |
| Favorite Movie:          | Outlaw Josey Wales                |
| Favorite Song:           | I'll Fly Away                     |
| Favorite Singer:         | Dwight Yokum                      |
| My Life:                 | Karen, my wife, and our home      |
| My Company:              | Norton Commercial & Acreage Group |

Multigenerational homes include grandparents, children and grandchildren. This arrangement creates a family environment where different generations share a home. There are many reasons for choosing a multigenerational approach, including cultural traditions, caregiving purposes, or simply just to create strong family ties.

However, for many families it comes out of necessity and to navigate financial difficulties. Household incomes have not kept up with the increase in home prices. Multigenerational allow for several incomes rather than the traditional two. It also allows for shared expenses making living more affordable. According to the National Association of REALTORS®, 18% of buyers between the ages of 41-65 purchased a multigenerational home during the past year.

To realize the vision of multigenerational living, individual homes will need to be designed to meet the needs of people at different life stages and abilities. Housing that is created for multigenerational living must have community space and infrastructure that facilitate social connections, mobility, and access to services.

There is a larger demand today for homes with ADU's (Additional Dwelling unit) also known as "In-Law suite." The demand to accommodate additional family members continues to increase and makes ADU designed homes more desirable. Homestead at Hog Mountain subdivision in Dacula, Georgia currently has 12 of 15 new construction homes which have all been built with ADU's. According to canibuild.com, 100,000 ADU's will be built in 2025 and homes with ADU's are priced 35% higher than homes without one.

We have also seen young adult children and their spouses and families moving back into their parents' basement or garage as they cannot afford a home of their own. These are hopefully temporary situations; however, the time frame tends to get longer and longer.

Many other countries have practiced multigenerational living for many years. Mostly for cultural reasons or managing the family unit and accommodating limited space. North Georgia is a diverse and multicultural destination. However, the economic factors will continue to play the biggest role in multigenerational housing. The trend in the U.S. will continue to grow as families navigate housing solutions.

# 10. LAKE LANIER 1986 – 2024 REVISITED

While our annual Native Intelligence™ forecasts focuses on North Georgia as a comprehensive region, the singular impact of Lake Sidney Lanier is profound on a wide swath of our region. At least 15 times in Norton Native Intelligence™ publications, we have included trends on Lanier, Water Quality, Shoreline Preservation, Development Opportunity, or increase Government Control.

This past year, one of our most experienced lake specialists, Norman Moolenaar, reminded us that in the late 1990s we predicted the “Buckheadization” of Lake Lanier... Millionaire’s Row circling its boarder. In 2023-24 that prediction has clearly come to pass.

“In 1990 our forecast indicated that the Lake Lanier market had reached a historic level...the LARGEST supply of available lake homes in the lake’s 44-year history. In 1998, we reached a historical benchmark (8 years later) the LOWEST supply of homes, lots, and property. As a result, prices have soared in some areas as much as 20% in one year... “Buckhead” teardowns. Taking an older, smaller home and leveling it for the lot or view, previously an isolated phenomenon is now everywhere. Lake Lanier has become the epicenter of a global economy and the target for a national relocation search for affordable waterfront real estate. Your new neighbor that just moved in next door

may work out of Hartsfield International.”

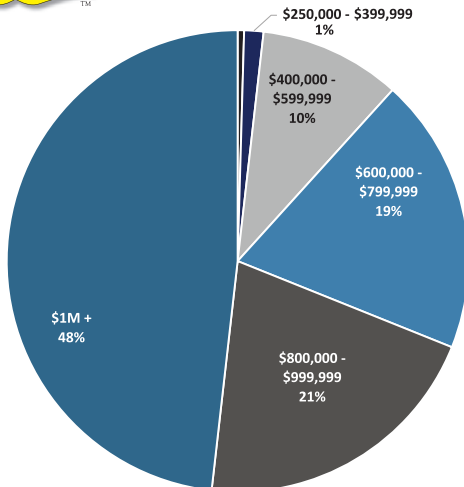
Raw land of development quality is dwindling. Our research shows there are less than 40 remaining underdeveloped tracts in all counties surrounding the lake that are over 50 acres in size and have the ability for boat dock access. With this in mind, the potential for further appreciation of existing homes and property is OUTSTANDING. The urbanization of Lake Lanier is underway.

Again in 2000, we predicted that Lake prices were at rock bottom and expected to soar. In 2002, we pointed to the stability and inherent value of development along the shoreline and the resilience to short term market factors. The “in your face” realization that there is a finite amount of shoreline, “Lake property is valuable, like money in the bank.” In 2005, we detailed the market’s 50-year Housing Legacy.

The evolution of Lake Lanier is coming around full cycle. The 50s and 60s were second homes/cabins for emergency of a permanent home market from North Atlanta and suburban Gainesville. Then with the pooling of area codes, Gainesville became Suburban Atlanta and sales soared. Now some 50 years later, we’ve seen a resurgence in second home purchases. Attracted by the close proximity to metro Atlanta and by comparison cheaper prices than the three Rabun County lakes or Highlands, NC. Lanier may be the “value” priced second home market. We believe 20% of housing stock was traded in 2004 as second homes and this could grow to 30% by 2010.”



**LAKE LANIER**  
PRICE RANGES SOLD  
2024



\*Data shown includes only homes with private docks. Data Source: FMLS. Copyright Norton Native Intelligence 2025

**Tyler Grabau**



- Last Purchase:** Fuel
- Most Unusual Gift:** Diet Plan
- First Car:** Toyota 4-Runner
- Inspiration:** My grandfather
- Perfect Day:** Fishing or in the Duck hole with Friends
- Favorite Movie:** The Italian Job
- Favorite Song:** All Along the Watchtower
- Favorite Singer:** Chris Stapleton
- My Life:** Reaching Goals
- My Company:** Norton Commercial & Acreage Group

“We also continue to see high-end custom development and redevelopment on prime lots: homes from \$400,000 to \$1,400,000 are being bought and torn down for the latest McMansion, McCastle, or McVilla. Most every lake house under \$450,000 has the potential to be a vacant-to-be lake lot.”

**“Lake Lanier is rock solid.** Weathering stock market frustrations, uncertainty in the real estate market and lower lake levels, lake property once again proved it was GOOD AS DIRT. With a slight decline in sales units, the market saw a surge in average sold home price from \$538,219 to \$562,326, up 5%. This follows sustained three-year market price movement up 25% the empirical data proved the bubble busters wrong and reflects the depth and strength of the clear “Blue Island Sea,” Georgia’s Great Lake.”

In **2008** we noted that...”the U.S. Army Corps of Engineers’ announcement that the maximum ceiling of boat docks on Lake Lanier has been reached is the most significant event for the lake since impoundment in **1957**. This historic precedent- setting, environmentalists-supported legislation will have reverberations throughout the nation. It is our understanding that no other Corps Lake has had such a permanent moratorium on a managed lake in American.” 2008 Continued, Norton Native Intelligence foresees:

- A period of “shell shock” for lake landowners who have had applications in progress but who missed the cut off. We see lawyers consulted and in 12 to 24 months individual or class action lawsuits filed and massive Congressional and U.S. Senator lobbying effort to break the boat dock ceiling.
- The shortage of boat docks (those that have) is not apparent now; it is more psychological than relative. However, as North Atlanta marches through us, demand for lots and homes with docks will intensify regardless of the fluctuating lake levels.
- Lake prices are increasing at a rate of 6 to 16% per year now regardless of fluctuating lake levels. Nevertheless, we project that Lake Lanier home prices will soar to Lake Burton/Rabun stratospheric prices within five years.

In **2021** we noted:  
 “The millionaires’ row on Lake Lanier can be considered simply a cul-de-sac at this point, soon to become a web on interconnected and disconnected mansion developments. The \$345,000 lake tear down is reality. From started mansions, off lake view homes \$200 - \$500,000 to the BIG BOY homes, 10,000 to 30,000

square feet of scrumptious splendor, we see an emerging Buckhead, Newport, Bel Air, or Palm Beach and accelerating. The Beverly Hills of the southeast governments would do well to promote and encourage this high tax base, low service demand development component. An additional tax base could be achieved with selective (sewer areas and the promotion of high density second home condominium development.) This second home market adds even more tax revenue with almost no demand on services. One can point to Greene County – Lake Oconee, Pickens County – Big Canoe and Rabun County – Lake Burton, Lake Rabun and Lake Seed to see the profound benefits that a luxury, “part-time” residential tax base has on the local economy.”

## 2024

Now fast forward to **2024** where lakefront premiums are at astronomical levels, tear downs in the 2+ million-dollar price point for fabulous waterfront and renovations of existing lake homes are taking place. Those that have “HAVE”, those that don’t have, may never “have.” Whether you consider it, Buckhead or Lake Como, **Lake Lanier is on fire.**

**Zach Tibbs**



|                          |   |
|--------------------------|---|
| Childhood Ambition:      | To become a Pro Soccer player               |
| Indulgence:              | Binge watching a show on Netflix            |
| Last Purchase:           | Christmas Presents                          |
| Most Unusual Gift:       | Crystal from Guy                            |
| My Hero:                 | Jesus Christ                                |
| First Car:               | Old BMW                                     |
| Inspiration:             | Jesus Christ                                |
| Proudest Accomplishment: | Career Successes                            |
| Perfect Day:             | Relaxing day in the NG mountains by a river |
| Favorite Movie:          | My Cousin Vinny                             |
| Favorite Song:           | A little bit of everything                  |
| Favorite Singer:         | Tyler Childers                              |
| My Life:                 | 29 Years and going strong                   |
| My Company:              | Norton Commercial & Acreage Group           |



# FIRST PERSON SNAPSHOTS COMMERCIAL





# SNAPSHOTS COMMERCIAL

For some years now, we have featured the voices of our Business Partners and our Top Management to give a “First Person” perspective on the various real estate and regional snapshots. While this year is no exception (comments will follow) we have begun to broaden our reports to cover topics and products, while real estate related, are outside our current business umbrella. This year we welcome:

**Bob Norton**, Executive Chairman, Legacy Risk Advisors  
Topic: Insurance

**Mike Westbrook**, CFO, Norton Legacy  
Topic: Banking and Finance

**Drew Echols**, Managing Partner, Jaemor Farms  
Georgia State Senator District 49  
Topic: Tourism as a Business Driver

**Mike Underwood**, SVP, Peach State Bank & Trust  
Topic: The Mini Warehouse Market

**Matt Slappey**, Partner, Slappey, Inc.  
Topic: Business Brokerage

We hope that these, along with our own commentary, will give a clearer understanding of our region’s current dynamics and powerful future.

## LAND

Nineteenth-century English novelist, Anthony Trollope, once said, “It is a comfortable feeling to know that you stand on your own ground. Land is about the only thing that can’t fly away.” In a world where markets and trends seem to shift faster than ever, I’ve known many people who think the land market remains comparatively slow, stagnant, or even boring. Let me assure you that this has not been the case in North Georgia over the last decade. While growth has always been visible throughout our region, the supercharge of interest in our region from migrants and relocations was a clear ripple effect of the COVID-19 pandemic. According to our local MLS system, the 25-county region that makes up Northeast Georgia saw an average of 66 land tracts of greater than 50 acres transact each of the four years leading up to 2020. In the four years since 2020, our region has seen an average of 136 land parcels of 50+ acres trade. More than double the number of 50+ acre tracts have sold each year post-COVID compared to pre-COVID!

There are many reasons land is being bought and sold in North Georgia. Some owners look to cash out their investment made years ago and reinvest in other opportunities. Some owners have life circumstances change that merit a sale. Some buyers are looking for the opportunity to develop or build on land. Others see land as a good long-term investment. All these types of buyers and

sellers have increased in activity over the past few years, but one particular land buyer segment has grown drastically: the buyer who wants to “get the heck out of Atlanta, ‘the city,’ California, or you fill in the blank.” In a time where ideological contempt, crime rates, uncertainty, natural disasters, mental illness, depression, and stress seem to dominate the headlines and conversations, words and sentiments like Mr. Trollope’s may have played a significant role in buyers’ decisions to purchase land

**Stephen Lovett**



- |                          |   |
|--------------------------|---|
| Childhood Ambition:      | Professional Baseball Player                              |
| Indulgence:              | Woodford Reserve Batch Proof                              |
| Last Purchase:           | Concert Tickets   |
| Most Unusual Gift:       | A crystal from a client                                   |
| My Hero:                 | Chipper Jones   |
| First Car:               | 1983 Chevy Caprice Classic                                |
| Inspiration:             | Jesus Christ  |
| Proudest Accomplishment: | Being able to help people                                 |
| Perfect Day:             | Any day walking God’s creation<br>(between 60-90 degrees) |
| Favorite Movie:          | Dumb and Dumber   |
| Favorite Song:           | Harry Hood by Phish                                       |
| Favorite Singer:         | Chris Cornell   |
| My Life:                 | Is becoming simpler                                       |
| My Company:              | Norton Commercial & Acreage Group                         |

in North Georgia. We live in a region where people see stability. While we may be a so-called “swing state”, our leadership did an amazing job of minimizing the negative impact of COVID on our local economy. Our climate and natural disaster threats are mild compared to other states like Florida and California. Our cost of living, while still increasing, is comparatively low to other desirable areas. The demand for land throughout our area remains steady and strong. The desire for a simpler time and the need to reconnect with nature and find a quiet place is growing in this fast-paced and noisy environment we navigate today.

**MLS ACREAGE SALES – 25 COUNTY NORTH GEORGIA REGION**

- 2024 – 102 Transactions
- 2023 – 99 Transactions
- 2022 – 143 Transactions
- 2021 – 201 Transactions
- 2020 – 114 Transactions
- 2019 – 73 Transactions
- 2018 – 71 Transactions
- 2017 – 69 Transactions
- 2016 – 51 Transactions

In 2025 going forward, I predict that there will continue to be strong demand for land in our region from all of the buyer and seller profiles previously mentioned. However, there is evidence that the number of land transactions will continue to level out compared to the craze created just coming out of the pandemic. In 2024, there were 102 sales of 50+ acres, still a 39% increase from 2019. Land is still abundant in North Georgia, but the best sites are regularly “flying away” to long-term recreational buyers, speculators, and developers. Go out and get something for yourself or your family “that can’t fly away.”

**Stephen Lovett, SVP/Partner**  
 Norton Commercial & Acreage Group

office market is seeing more demand for Class A properties, particularly in suburban areas, as companies look for flexible, cost-effective spaces outside of the city’s core. These trends differ from larger cities, such as Atlanta, which have large office buildings and are still rebounding from the pandemic shutdown. Expect the office market in larger cities to remain at risk and/or repurposed to alternative/mixed uses.

Despite the growth, there are some challenges for the commercial office market. A surplus of older, less-efficient office buildings may struggle to attract tenants, leading to potential vacancies in certain areas. The overall office vacancy rate is expected to remain somewhat elevated due to the continued impact of remote work and companies reducing their overall office footprints. However, demand for office space in prime locations, particularly near transit and amenities, should continue to support market stability in North Georgia’s commercial real estate sector.

The next “shakeup” in the office leasing market for these stronger communities will, most likely, come next when the pre-pandemic lease terms and renewal options expire. Many existing Tenants have not yet had to compete for office in these growing markets, which can also be said for the property owners. This

**Charlie Hawkins**



**OFFICE MARKET**

The commercial office market in North Georgia should continue to experience steady growth in 2024, driven by a combination of factors including increased demand for flexible workspaces, population growth, and a growing economy. As businesses adapt to hybrid work models, there’s a shift toward more modern office spaces that offer amenities such as collaborative work environments, health-focused designs, and proximity to transportation hubs. In the metro Atlanta area, the

|                                 |  |
|---------------------------------|--|
| <b>Childhood Ambition:</b>      | To become a professional athlete   |
| <b>Indulgence:</b>              | Playing golf with friends  |
| <b>Last Purchase:</b>           | House Paint  |
| <b>Most Unusual Gift:</b>       | Purchased a Star   |
| <b>My Hero:</b>                 | Various family members   |
| <b>First Car:</b>               | 1998 Jeep Grand Cherokee   |
| <b>Inspiration:</b>             | To be the best, most well-rounded father and husband   |
| <b>Proudest Accomplishment:</b> | My kids – Charlie, Lucy James, and Jack  |
| <b>Perfect Day:</b>             | Working in the yard, play a round of golf then “grilling out” with family/friends and watching a UGA football game |
| <b>Favorite Movie:</b>          | Wedding Crashers   |
| <b>My Life:</b>                 | Husband, Father, Real Estate, Yard Work, Golf, Travel, Friends   |
| <b>My Company:</b>              | Norton Commercial & Acreage Group  |



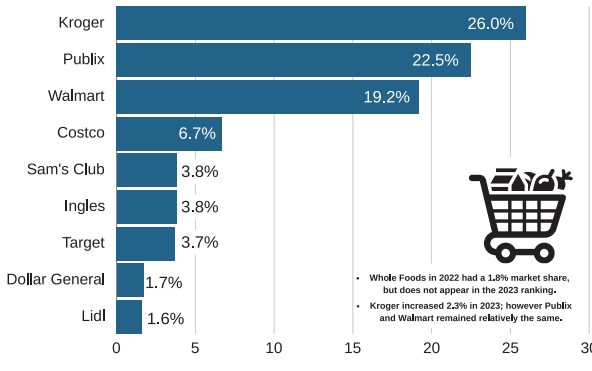
will be a leveling action, which will bring us to a more consistent and predictable office leasing market.

Office transactions in North Georgia remain low when considering the level of demand. This has mostly to do with the lack of supply in the market coupled with the challenge of building new or renovating old due to the cost to build or renovate. I anticipate continued lack of inventory and higher office values in the North Georgia growing markets until we can replenish inventory by means of lower building costs and/or remodeling costs and/or the “exiting” of property owners/business.

**Charlie Hawkins, SVP/Partner**  
 Norton Commercial & Acreage Group

## RETAIL

### LARGEST GROCERS BY MARKET SHARE ATLANTA AREA, 2023



Look around, you don't see many strip centers being built in North Georgia. The cost to build commercial space is outpacing retail market rents, making new projects improbable. The demand is strong. Retailers are

compelled by our growing demographics and income level, but development and land costs have hindered new construction. New space is going for premium rates in an ultra-competitive environment. This creates opportunity for second and third generation spaces. With some updating and cosmetic improvements, occupancy should see an uptick.

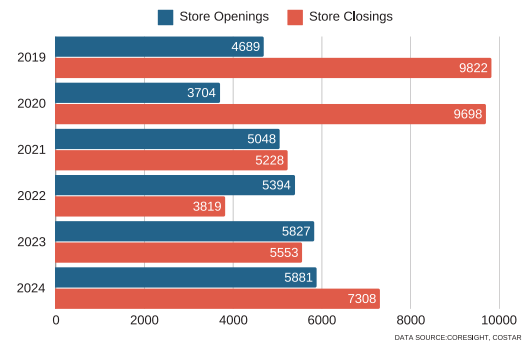
A wave of new grocery stores has been the bright spot in the retail landscape. These anchored grocery centers drive traffic on a weekly basis allowing support and service tenants to penetrate new markets. The additional “in-line” retail space beside the grocer is the most cost-efficient model in this environment

Medical retail or “Medtail” is here to stay. Providing patients with convenience and accessibility to their daily routines is a competitive advantage to traditional service centers. North Georgia will continue to attract build-to-suit restaurants and retailers. Single tenant buildings

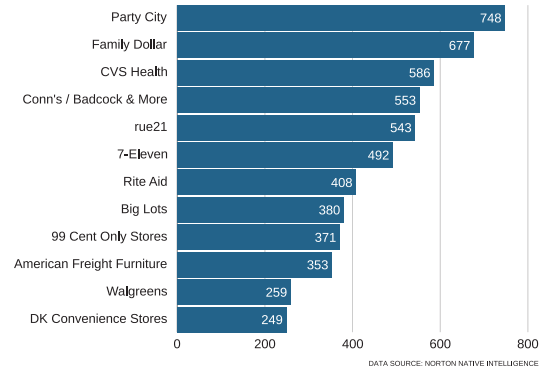
(like quick service or casual restaurants and specialty retailers) have less risk and proven business models.

**Matt McCord, SVP/Partner**  
 Norton Commercial & Acreage Group

### RETAIL CHAIN STORE OPENINGS VS CLOSINGS



### RETAIL CHAIN STORES WITH THE MOST CLOSURES IN 2024



**Matt McCord**



**Childhood Ambition:** Governor of Georgia  
**Indulgence:** Swedish Fish and Gummy Worms  
**Last Purchase:** Cowboy Boots  
**Most Unusual Gift:** A collection of antique yardsticks  
**My Hero:** Those who spend themselves in a worthy cause and pursue excellence  
**First Car:** 1991 GMC Jimmy  
**Inspiration:** To control how my time is spent  
**Proudest Accomplishment:** My family  
**Perfect Day:** A day by the water, followed by a concert  
**Favorite Movie:** A Rivers Runs Through It  
**Favorite Song:** When you Were Young by the Killers  
**Favorite Singer:** Favorite Band – The Black Crows  
**My Life:** Is Fulfilled  
**My Company:** Norton Commercial & Acreage Group

# INDUSTRIAL

As of Q4 2024, the industrial real estate market in North Georgia and especially Hall County continues to experience steady rental rate growth. However, the largest growth in the types of buildings has been those in the 250,000 SF to 1,000,000 SF range.

While most of the needs in the real estate market have focused on the shortage of the residential housing market, the industrial building market, primarily in the 5,000 SF to 50,000 SF range has been ignored and is grossly underserved.

## DISTANCE BETWEEN EXITS ALONG I-85

| Exit                             | Number  | Distance Between | County   |
|----------------------------------|---------|------------------|----------|
| Sugarloaf Parkway (CR 6512)      | 108     | Starting Point   | Gwinnett |
| Old Peachtree Road (CR14)        | 109     | 1                | Gwinnett |
| SR 317/Lawrenceville-Suwanee Rd. | 111     | 2                | Gwinnett |
| SR 365/I-985/Lanier Parkway      | 113     | 2                | Gwinnett |
| SR 20/Buford Drive               | 115 A/B | 2                | Gwinnett |
| Hamilton Mill Road (CR 134)      | 120     | 5                | Barrow   |
| SR 211                           | 126     | 6                | Jackson  |
| SR 53/Winder Highway             | 129     | 3                | Jackson  |
| SR 11/US 129                     | 137     | 8                | Jackson  |
| SR 82/Dry Pond Road              | 140     | 3                | Jackson  |
| SR 98                            | 147     | 7                | Jackson  |
| SR 15/US 441                     | 149     | 2                | Banks    |
| SR 63/Martin Bridge Road         | 154     | 5                | Banks    |
| SR 51/Sandy Cross Road           | 160     | 6                | Franklin |
| SR 320/Church Road               | 164     | 4                | Franklin |
| SR 106/Toccoa Carnesville Rd.    | 166     | 2                | Franklin |
| SR 17                            | 173     | 7                | Franklin |
| SR 77/Whitworth Road             | 177     | 4                | Hart     |

DATA SOURCE: GEORGIA DOT

Manufacturing and warehousing job growth remains extremely strong. The current unemployment rate for Hall County is just 2.5% and 2.9% for the North Georgia region. This compares to 3.4% for the rest of Georgia and 3.9% nationally. It is worth noting that of the ten largest private sector employers in Hall County, eight are in the manufacturing and warehousing category. The remaining two are in the medical field.

The larger manufacturers continue to expand and locate in the region: most notably are Cottrell, Kubota, Fox Factory, Eskimo Cold Storage, Agile Cold Storage, and RL Cold Storage. Their ability (due to their



## TOP 10 AREAS WITH THE FASTEST 12-MONTH INDUSTRIAL ABSORPTION

|                       | 2024 Q2 | 2023 Q2 |
|-----------------------|---------|---------|
| Dallas-Fort Worth, TX | 23.04M  | 39.45M  |
| Houston, TX           | 18.38M  | 25.12M  |
| Phoenix, AZ           | 14.91M  | 18.22M  |
| Atlanta, GA           | 10.16M  | 11.12M  |
| Chicago, IL           | 9.45M   | 25.95M  |
| Savannah, GA          | 8.30M   | 11.38M  |
| Nashville, TN         | 8.03M   | 6.88M   |
| Austin, TX            | 7.55M   | 5.06M   |
| Minneapolis, MN       | 5.15M   | 5.95M   |
| Philadelphia, PA      | 4.86M   | 7.91M   |

DATA SOURCE: NATIONAL ASSOCIATION OF REALTORS

size and financial strength) allows them more flexibility to expand and construct to fit their needs and timing. However, the smaller companies that offer support to the larger firms are finding it difficult to expand due to a lack of available industrial building products.

Hall County has recently completed a three-year project of updating its “Comprehensive Land Use Plan” and its “Unified Development Code.” It has incorporated the encouragement of innovative designs for both residential and industrial development projects. The GA 365 Corridor and US 129 South Corridor have been targeted for industrial growth.

The opportunity for the local investor is the construction of buildings in the 20,000 SF to 50,000 SF range or the ability identify suitable industrial sites industrial buildings to meet an increasing backlog and demand.

**Chris Braswell, SVP / Partner**  
Norton Commercial & Acreage Group

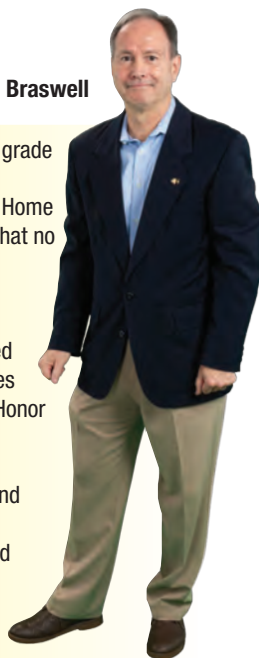
For example, there are only six free-standing industrial buildings available for sale in Hall, Jackson, and Habersham Counties. These range in size from 5,000 SF to 45,100 SF (averaging 18,798 SF). There are only four free-standing industrial buildings for lease ranging from 12,100 SF to 20,000 SF (averaging 14,525 SF). These size buildings typically do not stay on the market very long, usually about 90 days. In contrast, in the same three counties have twenty buildings with about 8,000,000 SF for lease. Almost all these buildings are for lease because they are owned by institutional investors.

## INVESTMENTS

The commercial real estate investment market is poised for a rebound in 2025, marking a notable improvement from the challenges faced over the last couple of years. This recovery will be driven by a confluence of factors, including more favorable lending conditions, declining interest rates, and a shift in investor sentiment. The North Georgia market remains primed to attract a significant amount of that capital, driven by favorable economic conditions, and a growing population.

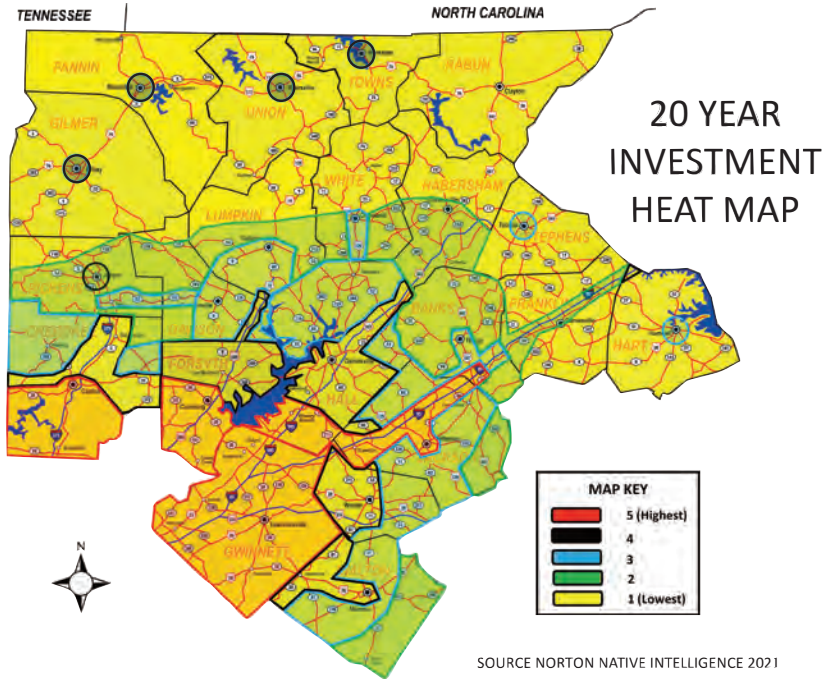
The Federal Reserve’s projected interest rate cuts are fueling renewed optimism in CRE financing, and the commercial lending landscape is expected to thaw considerably. Lower borrowing costs will make financing more accessible and affordable for investors and developers alike. This improved lending environment is expected to unlock previously stalled projects and facilitate new acquisitions, injecting much-needed liquidity into the market. Despite recent headwinds faced by regional banks, there is

**Chris Braswell**



- Childhood Ambition:** To finish pass Algebra & finish the 6<sup>th</sup> grade (box checked)
- Indulgence:** Taking my time to shop, especially at Home Depot. I usually take so long looking that no one will go with me.
- Last Purchase:** Four tires for my wife’s car
- Most Unusual Gift:** A kidney
- My Hero:** The men and women who have served and are serving in the US armed forces especially recipients of the Medal of Honor
- First Car:** Honda Accord
- Inspiration:** My younger sister, Dawn
- Proudest Accomplishment:** Being professional, knowledgeable, and helpful – learning to trust my gut
- Perfect Day:** Spending relaxing time with Marie and my family in Cordele
- Favorite Movie:** Where Eagles Dare
- Favorite Song:** My Wish, by Rascal Flatts
- Favorite Singer:** Jennifer Nettles
- My Life:** ... is just beginning, I’ve got a lot to learn and accomplish
- My Company:** Norton Commercial & Acreage Group (the craziest, most out-of-the-box, fun and professional place I’ve ever had the pleasure and honor to have worked)





still remain below their peak. We believe the asset class presents an attractive investment opportunity in 2025, offering the potential for both income and capital appreciation as the market recovers.

The receding concerns over potential increases in capital gains tax and the abolishment of the 1031 exchange are also likely to stimulate investment activity further. This stability in the tax environment, coupled with strategies like 1031 exchanges and Qualified Opportunity Funds, provides investors with options to manage their tax liabilities effectively. The continued availability of these tax-advantaged investment vehicles enhances the appeal of commercial real estate as an asset class. We anticipate a continued growing interest as real estate remains the most tax-efficient way to build wealth.

an anticipated increase in their appetite for CRE lending. However, banks, which hold over 50% of U.S. CRE mortgage debt, are likely to remain cautious with their underwriting standards. We expect this to coincide with a growing shift towards quality, core assets over value-add properties, which have been favored in recent years.

As market conditions improve, we anticipate a substantial movement of capital that has been sitting on the sidelines, particularly from money market funds, treasuries, and other cash-equivalent investments. With public equities appearing historically expensive and bonds offering limited returns, commercial real estate is becoming increasingly attractive to investors seeking diversification and potentially higher yields. Although we anticipate mild cap rate compression this year, CRE prices

North Georgia remains a strong market to invest. Booming population growth, a pro-business environment, and relatively low taxes and insurance will continue to attract investor capital. This regional strength is part of a broader trend of investors seeking opportunities in markets with favorable demographic and economic indicators. The overall commercial real estate market is expected to see varied performance across different sectors and geographic regions. While some areas may face ongoing challenges, others are likely to experience growth and increased demand. Investors and developers who can identify and capitalize on these emerging trends and market shifts will be well-positioned for success in the coming years. If you are interested in investing in the North Georgia market, give me or one of our other Norton agents a call.

**Chase Unger**



- Childhood Ambition: Work in the medical field
- Indulgence: Ice Cream
- Last Purchase: Golf Balls
- Most Unusual Gift: Juggling
- My Hero: My father
- First Car: 1995 Ford Bronco
- Inspiration: Family/Friends, self-improvement, nature
- Proudest Accomplishment: My Marriage and College Degree
- Perfect Day: On the lake or at the beach
- Favorite Movie: The Town
- Favorite Song: Impossible to pick just one
- Favorite Singer: Whoever is on the karaoke mic
- My Life: Fun and Family oriented
- My Company: Norton Commercial & Acreage Group

**Chase Unger, CCIM**  
 Commercial Investment Specialist  
 Norton Commercial & Acreage Group

## CHURCH MARKETS

Every Sunday morning, churches all across the State of Georgia are filled with parishioners who show up to worship God, gain spiritual guidance and growth, and build community and meaningful relationships with their fellow believers. The buildings are typically heated and cooled, cleaned and welcoming, with lights and electricity properly working, and a paid staff eager to greet, share in praise, and give thanks to God. But, those are seemingly the little things that are often taken for granted by a church's members. It is only through the generosity of the congregation and their financial contributions, participation in community outreach and fundraising that allow for a church to operate each and every week. Unfortunately, not every church is able to give, grow, and make the proper ends meet to keep their doors open.

With that, many churches are forced to close and/or sell off their assets, including the real estate in which they operated faithful worship for the many years leading up to their ending.

So, who is it that's purchasing these vacant church buildings? Thankfully, it is mostly other churches. Whether they are a church who has grown and are now ready to plant a second or third location, or a church who has been renting space and saving up for their first purchase of a permanent home, there are no lack of church buyers in the market – as well as lenders who specialize specifically in this type of real estate.

When evaluating church real estate and determining its market value, we look at many of the same factors that one would for other commercial buildings and land – the condition of the building structures and their mechanicals, the needs for capital

improvements, the interior quality of the buildings and their overall functionality, the growth of the local housing market, the sanctuary capacity and its accompanying fixtures and instruments, the parking situation, and any surplus land.

Often, buyers are also evaluating the option of purchasing land to build a church, however, because of the current costs of construction, it tends to not make that a viable option. Or, if they do opt to build, the end-product are metal buildings that just don't have the same appeal as the traditional brick church with stained glass windows that these buyers dream of. However, whatever the product is that the buyer lands on, the most important factor is that it fits the identity of the church group and offers them the ability to grow and provide the types of services and operational space necessary to fulfill both their short and long-term goals.

At Norton Commercial & Acreage Group, we are proud to be a LEADING brokerage of church real estate in the State of Georgia and have been specializing in it for the last eight years. Please let us know if we can ever help or advise your church group!

**Patrick Cisco, VP/Partner**  
Norton Commercial & Acreage Group

**Patrick Cisco**



|                          |   |
|--------------------------|---|
| Childhood Ambition:      | Professional Hockey Player or Doctor    |
| Indulgence:              | Music                                   |
| Last Purchase:           | Backpack blower                         |
| Most Unusual Gift:       | A gun rack                              |
| My Hero:                 | Jesus                                   |
| First Car:               | My family's 1994 Ford Explorer          |
| Inspiration:             | Grandfather/"Papa" (Carmon Cisco)       |
| Proudest Accomplishment: | Marrying my wife                        |
| Perfect Day:             | On the lake with family and friends     |
| Favorite Movie:          | Dumb and Dumber                         |
| Favorite Song:           | Divided Sky                             |
| Favorite Singer:         | Eddie Vedder, Gregg Allman & Paul Simon |
| My Life:                 | Is crazy but beautifully amazing        |
| My Company:              | Norton Commercial & Acreage Group       |



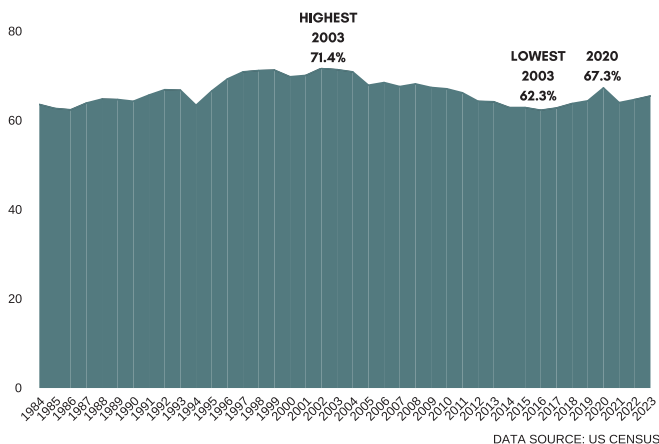
# FIRST PERSON SNAPSHOTS RESIDENTIAL





# THE RESIDENTIAL MARKET

## HOMEOWNERSHIP RATES IN GEORGIA



Inventory, interest rates, and affordability are the defining residential real estate factors for 2025. Consumers have had a wait and see attitude for most of 2024 in anticipation

of the presidential election and their lack of confidence in the overall economy. Lack of inventory has propped up home values with high demand and low supply. Interest rates have bounced from a low of 6.08% in September to a high of 7.22% in May 2024. Affordability has been the buzz word for several years now and finally garnering the attention of local, state, and federal leadership.

### Inventory

According to FMLS, months of supply in the last 12 months has increased by 39.3% from 2.5 months in January 2024 to 3.9 in November 2024. However, the current month of supply is still well under what would be considered a balanced market, and the market still favors home sellers. A 6-month supply would be considered a neutral market. Inventory year-over-year for North Georgia is up 36.9%. However, the increases still cannot keep up with demand and home prices continue to rise. Home prices for Georgia have seen an annual appreciation of 3.2% at the end of the Q3 2024.

According to NAR, there will be 4.7 million homes sold in the U.S. this year. This is 2 million units short of demand. New construction is also falling behind due to the high cost of land, materials, and labor. Home builders are also concerned with potential tariffs on goods and materials coming from outside the U.S. This would further increase the cost of new construction, further stunting the supply.

A possible solution to boost home inventory would be a temporary tax-free holiday on capital gains for any single-family residence. This would also include any investor-owned homes. Homeowners and investors would be incentivized to make business decisions and get off the fence.

### Interest Rates

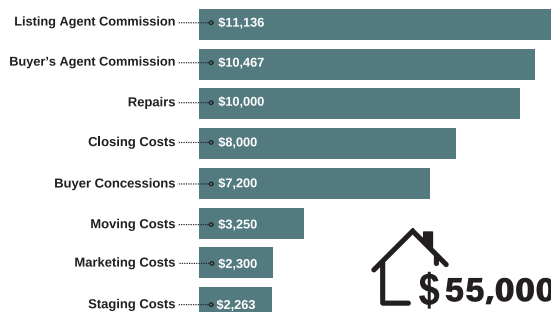
As predicted from last year's forecast, interest rates have only slightly improved. As of this writing (December 2024) the 30-year fixed mortgage rate stands at 6.84%. The fed has been cautious with lowering rates throughout 2024 to battle inflation.

According to a U.S. News survey, 67% of home buyers in 2024 are waiting for interest rates to drop before purchasing a home. It is the number one factor for homebuyers today. However, this could equate to missed opportunities for homebuyers if they wait too long. In 1971 the average interest rate was 7.11%. If you waited for interest rates to drop, you would have waited 22 years until 1993. Rates in 1993 dropped to a whopping 6.74%. You would have saved half a point. Over the same time period, home values increased from \$25,200 in 1971 to \$126,500 in 1993. Homebuyers would have missed out on \$100,000 in appreciation and any equity that was built

## NORTH GEORGIA MOBILE HOME STOCK

|           |             |              |                     |
|-----------|-------------|--------------|---------------------|
| Banks     | 2,165 Units | Jackson      | 3,660               |
| Barrow    | 2,104       | Lumpkin      | 2,736               |
| Dawson    | 734         | Madison      | 3,335               |
| Fannin    | 1,733       | Pickens      | 2,144               |
| Franklin  | 3,033       | Rabun        | 1,307               |
| Forsyth   | 3,322       | Stephens     | 2,650               |
| Gilmer    | 2,453       | Towns        | 1,085               |
| Habersham | 3,185       | Union        | 3,145               |
| Hall      | 7,464       | Walton       | 2,710               |
| Hart      | 3,208       | White        | 3,279               |
|           |             | <b>TOTAL</b> | <b>49,971 Units</b> |

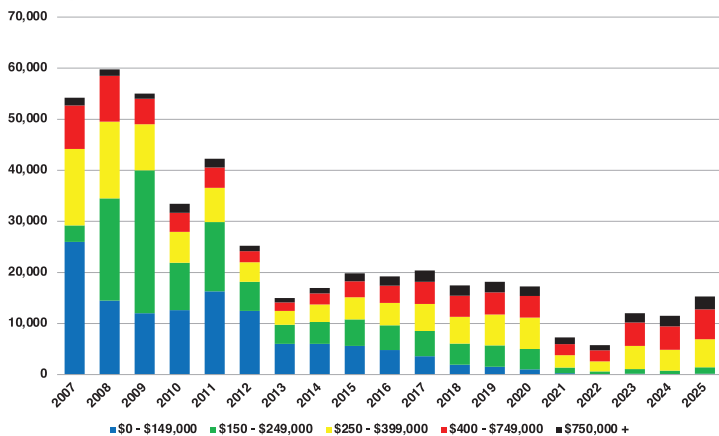
## TYPICAL COSTS OF SELLING A HOME



DATA SOURCE: CNBC, CLEVER REAL ESTATE 2024



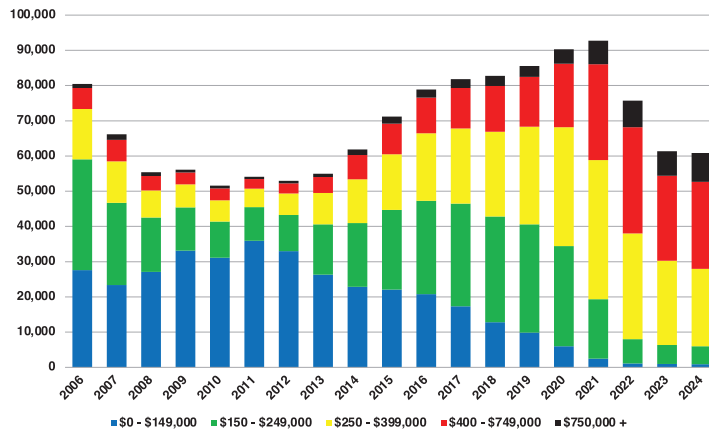
### METRO ATLANTA SF HOME INVENTORY PRICE POINT BREAKDOWN



Data Source: GMLS / FMLS - 23 COUNTIES INCLUDED: Banks, Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Jackson, Newton, Paulding, Rockdale, Spalding and Walton



### METRO ATLANTA SF HOME SALES PRICE POINT BREAKDOWN



Source: GMLS / FMLS - 23 COUNTIES INCLUDED: Banks, Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Jackson, Newton, Paulding, Rockdale, Spalding and Walton

over the 22-year period. When is the best time to buy real estate? Right Now!

Currently we are anticipating that interest rates will continue to slightly decline in 2025. The hope is rates will fall below 6% before the end of 2025.

#### Affordability

Home prices have soared since 2020. Home values in Georgia have appreciated 54.3% over the last 5 years. The median home price in GA currently sits at \$368,000, while median income is \$75,701. This equates to almost a 5-time difference. This disparity makes it very difficult for a median household income to afford a house. Home

**Tommy Howard**



- Childhood Ambition: Doctor
- Indulgence: Bourbon
- Last Purchase: Christmas gifts
- Most Unusual Gift: Office full of balloons
- First Car: 1984 Toyota Corolla
- Inspiration: I am inspired by Good Deeds
- Proudest Accomplishment: Where I am currently in my life
- Perfect Day: Beautiful day in the fall
- Favorite Movie: Shawshank Redemption
- Favorite Song: You Can't Always Get What You Want by the Rolling Stones
- Favorite Singer: Prince
- My Life: Intentional
- My Company: Norton Family

prices have also been driven up because of the demand.

Georgia's Population is currently 8<sup>th</sup> in the nation at an estimated total of 11,180,878 (*U.S. Census*) and has averaged 1% growth year over year since 2010. North Georgia has become a destination for relocation from other states due to our employment growth, relatively affordable cost of living, and quality of life. This will continue to help Georgia thrive but also keep elevating home prices.

State and local leaders are recognizing the need to provide affordable housing for its citizens. The city of Atlanta purchased a 41-story office building at 2 Peachtree Street to convert to 625 affordable housing units using local, state, and federal funds. Atlanta's affordable housing initiative is to create 20,000 units by 2030. We have seen other large urban centers with similar projects. There is not one solution to affordable housing. It will take blended ideas through public and private partnerships.

**Tommy Howard, President/CEO**  
Norton Brokerage Services



## SHORT TERM RENTALS

First, dispel the five common myths about short term rentals to maximize your investment.

Short term rentals (STRs), also known as vacation rentals, have always been an option when people travel, but it wasn't until websites like VRBO and Airbnb came on the scene that interest ramped up with wider access to these properties.

It's important to prepare yourself for the realities of STRs.

**MYTH #1:** Any property will make a good STR. To profit from a STR, there are some important factors to consider. Zoning can be an issue. Local, county, and municipal ordinances dictate which properties can and cannot be used as STRs. This differs from county/city to county/city. Knowing what the zoning regulations are before purchasing a property is key.

**MYTH #2:** Getting a property ready to rent out will be easy. You will need durable furniture that can withstand everything a family to a wedding party might put it through and then there's all of the equipment you'll need to run everything. It is very important to make sure the proper licensing and registration is in place.

**MYTH #3:** As long as I have general knowledge of how to operate a safe STR, I should be fine. When it comes to safety, regardless of local regulations, certain measures are necessary for every STR. Change lock code on doors after every guest, smoke detectors, carbon monoxide

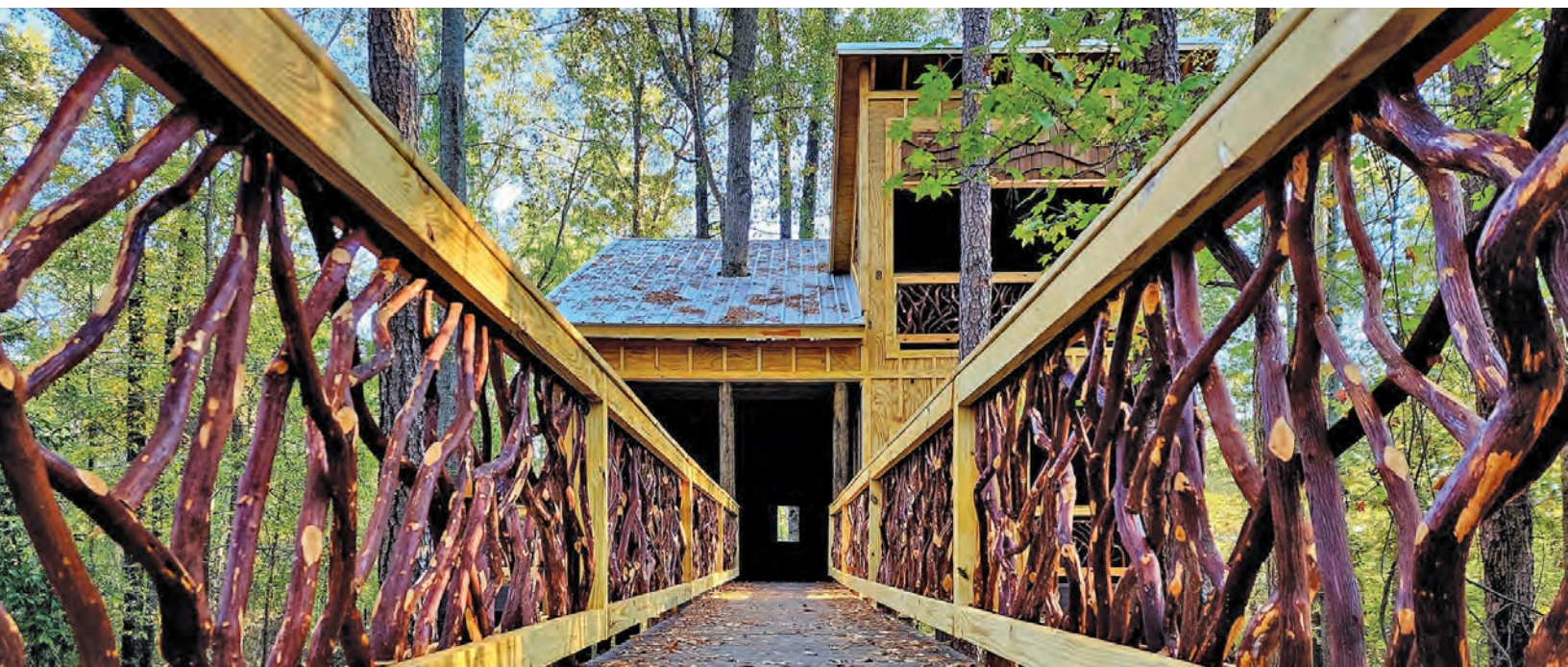
detectors installed, signage for anything that might be a hazard.

**MYTH #4:** The local government has no idea if my property is an STR or my primary residence, so I don't need to worry about regulations or taxes. Again, it's important to remember that having an STR is considered running a business, and each community has specific requirements for business licensing that includes a TOT aka Transient Occupancy Tariff.

**MYTH #5:** All I need is the standard preapproval and I can start looking for an STR. Since STRs are rental properties and therefore investment of a specific nature, the normal loan preapproval likely won't be enough. Be clear to the lenders how you intend to use the property. Merely stating that it will be used as an investment isn't enough. Likewise, a regular homeowner's insurance policy will not cover an STR either.

Regulations and zoning can be as different as Georgia's 159 counties. Don't forget that Georgia is a "Buyer Beware" state.

**Diane Brown, SVP/Partner**  
Norton Residential Group





## LAKE LANIER

Lake Lanier remains a shining gem in the Northeast Georgia real estate market, attracting buyers from near and far who are drawn to its unparalleled blend of recreation and resort-style living. As the largest lake in the Southeast and the 10th largest in the U.S., Lake Lanier offers 38,000+ acres of pristine water and over 550 miles of scenic shoreline. From luxurious gated communities to 70's and 80's-built cottages in established neighborhoods, there's a lake home for every lifestyle and budget.

Homes on Lake Lanier are in high demand, with the average property spending just 69 days on the market. Well-priced listings often sell in under two weeks, highlighting the importance of Buyer preparation. Buyers should act decisively, being pre-qualified and working with an experienced Lake Realtor who understands Lake Lanier's nuances, including dock regulations and Corps of Engineers guidelines.

The 2025 market kicks off as a softening Seller's Market, still positive for Sellers, but presenting exciting opportunities for Buyers. With inventory levels steadily climbing, the selection is the best it's been in six years. Expect an active spring market, as many sellers prepare to list by late winter. If you've been dreaming of a lake home, now is the perfect time to dive back in!

### Lake Home Sales and Inventory Trends

Sales on Lake Lanier surged in 2024, reflecting renewed market energy. Total sales jumped an impressive 36%, returning to 2022 levels.

315 lake homes sold with private docks, or a community boat slip compared to 232 the previous year, when rising mortgage rates stalled activity.

“Average prices held steady overall, with a 4% increase for homes featuring private docks or boat slips, now averaging \$1,159,371. While prices on homes with private docks dipped slightly by 6%, the average sales price remained strong at \$1,155,289.” Although private docks have been limited by the U.S. Corps of Engineers, there has been a notable increase in new lakefront subdivisions with multi-slip marina style docks approved and many already in construction. As of today, homes sold with slips in marina style community docks now make up 30% of the lake market. This new trend will continue into the future.

Even more encouraging for buyers, inventory levels are on the rise! The 2025 market opens with 140 active listings on the First Multiple Listing Service, with either a private dock or boat slip, a remarkable 49% increase compared to last year. This growing selection means more choices for buyers eager to secure their slice of lakefront paradise.

### Luxury Lake Sales Surge in 2024: A Thriving Market on Lake Lanier

Luxury living on Lake Lanier is making waves! In 2024, homes priced over \$1 million accounted for a stunning 47% of the lake's total home sales, with 149 luxury lakefront properties sold—a remarkable 46% increase over 2023. This trend shows no signs of slowing down as we head into 2025, with 95 active listings above \$1 million already on the market. Experts predict a surge in listings this winter and early spring, thanks to motivated sellers looking to downsize or adapt to lifestyle changes.

What's fueling this growth? A shift toward more realistic pricing strategies, combined with an aging population of homeowners, has boosted inventory and encouraged buyers to dive back in. Notably, luxury buyers are largely unaffected by fluctuating mortgage rates, with 50% paying cash or mostly cash for their primary or secondary homes.

**Sheila Davis**

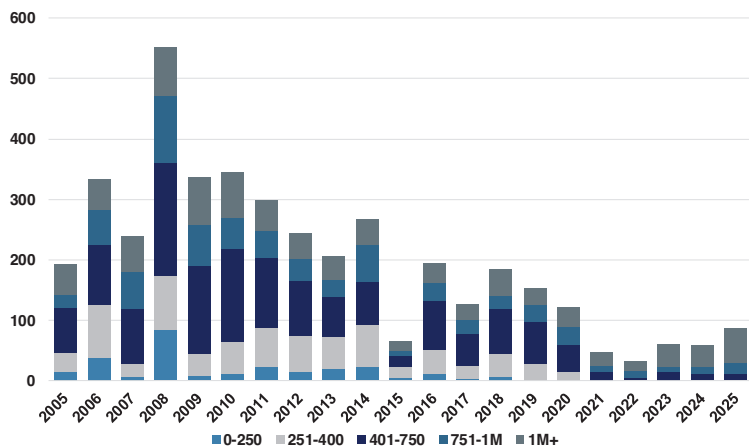


|                          |   |
|--------------------------|---|
| Childhood Ambition:      | To run my own business                  |
| Indulgence:              | A great trip                            |
| Last Purchase:           | Cosmetics                               |
| Most Unusual Gift:       | An investment home for my 40th birthday |
| My Hero:                 | My Dad                                  |
| First Car:               | Pontiac Sunbird - Yellow                |
| Inspiration:             | My faith and family                     |
| Proudest Accomplishment: | My son and daughter                     |
| Perfect Day:             | On the Boat!                            |
| Favorite Movie:          | Top Gun                                 |
| My Life:                 | Faith, family, friends, career          |
| My Company:              | Norton Residential Group                |



### LAKE LANIER INVENTORY

PRICE POINT BREAKDOWN



\*Data shown includes only homes with private docks.

Data Source: FMLS. Copyright Norton Native Intelligence 2024.

Among the luxury properties sold in 2024:

- 7 homes closed above \$3 million
- 16 homes sold above \$2 million
- The average price was an impressive \$1.3 million, with 40% of sales between \$1 million and \$1.3 million.

Luxury homes are fetching an average of \$330 per square foot, though premier lots with breathtaking views command even higher premiums. Sellers who prioritize modern updates, regular maintenance, staging, and curb appeal are winning the attention of today's discerning buyers.

### NORTH GEORGIA LAKES

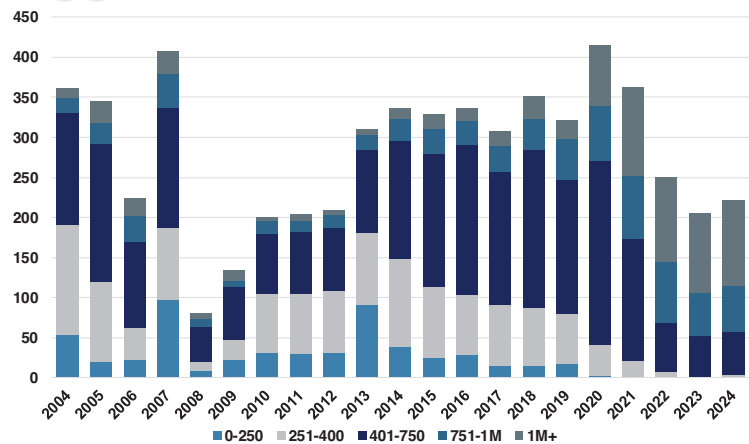
| Lake      | Surface Acres |
|-----------|---------------|
| Blueridge | 3,290         |
| Burton    | 2,775         |
| Carters   | 3,200         |
| Chatuge   | 7,050         |
| Hartwell  | 56,000        |
| Lanier    | 39,030        |
| Nottely   | 4,180         |
| Rabun     | 834           |
| Russell   | 26,650        |
| Seed      | 240           |
| Tallulah  | 63            |
| Tugalo    | 597           |
| Yonah     | 325           |

Source: Norton Native Intelligence™ 2025



### LAKE LANIER HOME SALES

PRICE POINT BREAKDOWN



\*Data shown includes only homes with private docks.

Data Source: FMLS. Copyright Norton Native Intelligence 2025.

### New Construction and Premier Lake Lots: A Hot Commodity

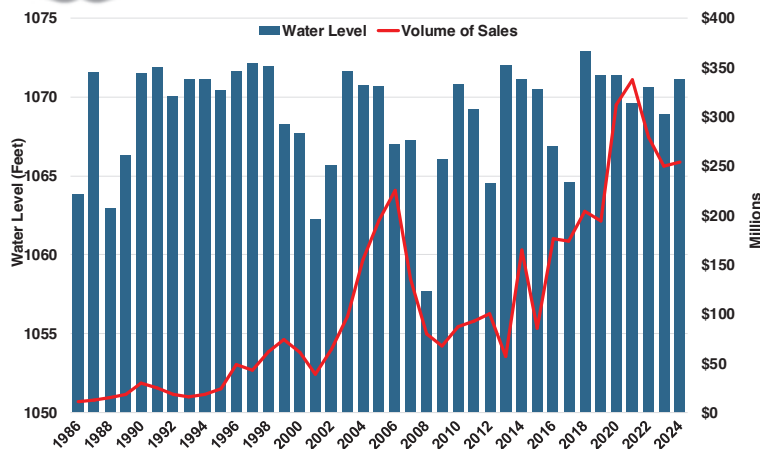
Lake Lanier's new construction homes have also seen a surge, accounting for 11% of the total lake market in 2024. The highest recorded sale on the FMLS was \$3,254,000, while a limited number of entry-level new builds with private docks or boat slips started at \$550,000.

New subdivisions and small luxury communities are flourishing, offering homes and "to-be-built" options starting in the \$600,000s, with community boat slips available. For those seeking unparalleled exclusivity, luxury lots priced between \$500,000 and up to \$1.5 million—some with private docks—are offering the chance to build custom homes valued up to \$5 million+.



### LAKE LANIER

WATER LEVEL VS \$ VOLUME OF SALES

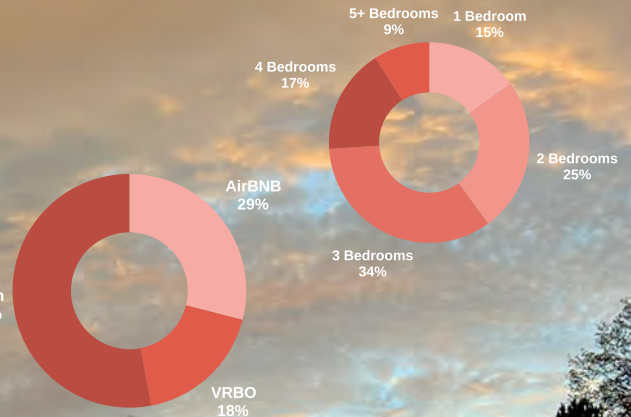
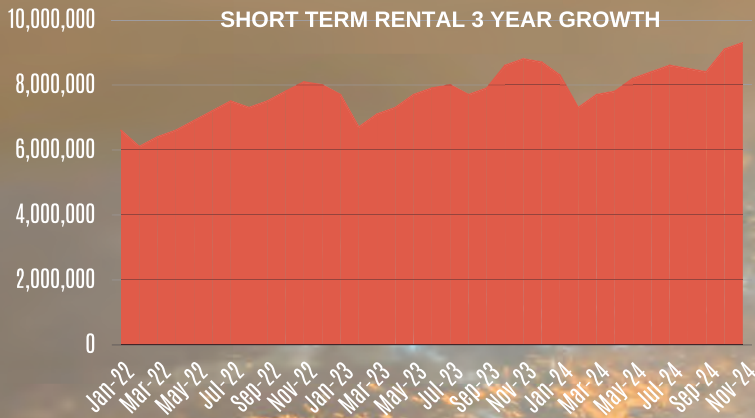


\*Data shown includes only homes with private docks.

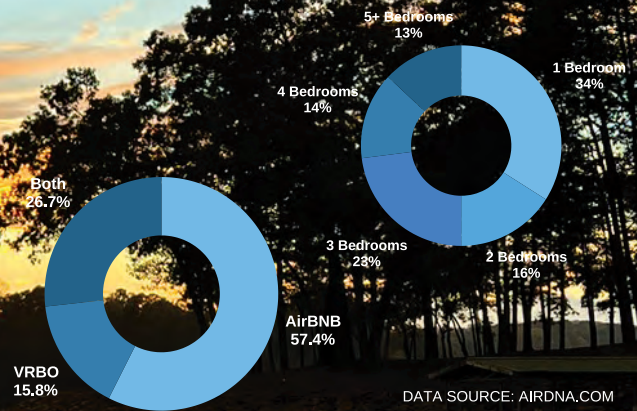
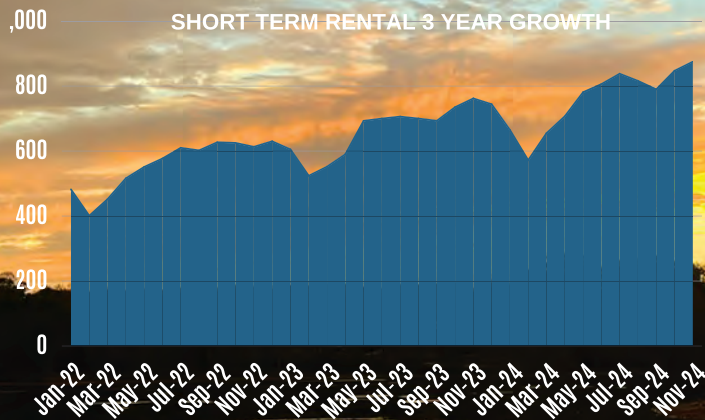
Data Source: FMLS. Copyright Norton Native Intelligence 2025.



## NORTH GEORGIA MOUNTAINS MARKET



## LAKE LANIER MARKET



DATA SOURCE: AIRDNA.COM

**Sheri Clark Millwood**

|   |   |
|---|---|
| <p><b>Childhood Ambition:</b><br/> <b>Indulgence:</b><br/> <b>Last Purchase:</b><br/> <b>Most Unusual Gift:</b><br/> <b>My Hero:</b><br/> <b>First Car:</b><br/> <b>Inspiration:</b><br/> <b>Proudest Accomplishment:</b></p> | <p>To own and operate Atlanta International Raceway<br/>                 Staying up all night watching old movies with my husband, Tony<br/>                 Food, hot chocolate, marshmallows and popcorn for 1,000 people<br/>                 A size XXXL sweater with a book on how to loose 25 pounds<br/>                 Lee Iacocca<br/>                 1969 Black Pontiac GTO Judge<br/>                 The Bible<br/>                 Establishing Community Care &amp; Share, Inc. a non-profit organization that<br/>                 provides Christmas for Oakwood families in need</p> |
| <p><b>Perfect Day:</b><br/> <b>Favorite Movie:</b><br/> <b>Favorite Song:</b><br/> <b>Favorite Singer:</b><br/> <b>My Life:</b></p>   | <p>A day with no drama or unexpected problems and no crisis situations<br/>                 Ford vs Ferrari<br/>                 "The Sound of Silence" by Simon and Garfunkel<br/>                 John Fogerty<br/>                 I endeavor to enjoy the journey of my life every step of the way (even<br/>                 when it's painful). Because the pleasure is the journey, not the destination.</p>   |
| <p><b>My Company:</b></p>   | <p>Norton Commercial &amp; Acreage Group, my work family, the best group of<br/>                 folks I've ever worked with.</p>   |





## HERE ARE SOME QUICK FACTS ON GEORGIA'S LARGEST LAKE:

- Currently the lake evaluation is 1,071 feet when at normal pool. The record high was in April 1964 when the lake reached elevation 1077.2 MSL which was approximately 6 feet above its full level.
- The maximum capacity of Lake Lanier is 1,085 feet.
- Lake Lanier covers 47,182 acres at an elevation of 1,085 feet above mean seal level (MSL) (maximum storage capacity), providing for storage of 2,554,000 acre-feet of water.
- At full conservation pool (normal level, 1,071 feet MSL), the lake's surface covers 39,038 acres, has a perimeter shoreline of 693 miles, and provides for storage of 1,957,000 acres-feet of water.
- During drought periods, the lake may be as low as 1,035 feet MSL and cover 22,442 acres, with storage of 867,600 acre-feet of water that can release enough water to maintain minimum river flow downstream.
- Of the project's 17,744 acres above full power pool, 2,360 acres are open, and the remainder is forested by pines, oaks hickories, elm, sweet bay, ash, sycamore, persimmon, dogwood and other trees.
- Lake Lanier has an average dept of 60 feet and a maximum depth of approximately 160 feet near the dam based on the 1993 USGS Buford Dam quad map.
- A minimum flow of 600 cubic feet per second is discharged constantly through a hydroelectric service unit operated for peaking power on a schedule of 5 days per week.
- The project operates to maintain a minimum flow of 750 cubic feet per second at Peachtree Creek (Atlanta) to provide for wastewater assimilation (USACE, Mobile District, 1998).

Local and regional builders, including Arthur Rutenberg Homes, with a regional base in Gainesville, are making dreams come true for luxury buyers fortunate enough to secure a lakefront lot. From cozy retreats to sprawling estates, Lake Lanier's new construction scene is redefining lakefront luxury.

Whether you're buying, selling, or building, now is the time to embrace the unmatched lifestyle of Lake Lanier!

**Sheila Davis, VP/Partner**  
Norton Residential Group

## SMALL FARMS AND ACREAGE

In recent years, a significant shift in lifestyle preferences has been observed across the United States, and Northeast Georgia is no exception. Areas near Gainesville, Cleveland, Dawsonville, and Dahlonega have become increasingly popular for those looking to embrace a simpler, more sustainable way of living. With the rise of small farms and homes on small acreage, our corner of Georgia is attracting a diverse range of residents, from young families to retirees. So, what exactly is driving this trend?

Let's explore the reasons behind the growing appeal of small farms and small acreage living in this picturesque region.

### Connection to Nature

Northeast Georgia is known for its stunning landscapes, from the rolling hills to the scenic lakes and the majestic Blue Ridge Mountains. Living on a small farm or small acreage allows residents to immerse themselves in nature. With the ability to grow their own fruits and vegetables, raise livestock, and cultivate gardens, individuals can foster a deeper connection to the land. This lifestyle not only promotes sustainability but also encourages mental well-being through outdoor activities and the therapeutic benefits of gardening.

### Sustainable Living

As awareness of environmental issues grows, many people are seeking ways to live more sustainably. Small farms offer the opportunity to practice eco-friendly agriculture, reduce carbon footprints, and promote biodiversity. Residents can choose to grow organic produce, practice permaculture, or raise free-range animals,



contributing to a more self-sufficient lifestyle. The ability to cultivate one’s own food not only reduces reliance on industrial agriculture but also promotes healthier eating habits.

### Affordability and Accessibility

Compared to urban areas, land prices in Northeast Georgia remain relatively affordable, making it easier for prospective buyers to purchase small tracts of land. Many families and individuals are attracted to the idea of owning their own slice of paradise without the hefty price tag associated with larger properties. The availability of diverse housing options, from rustic cabins to modern homes, further enhances the appeal for those looking to downsize or relocate to the countryside.

### Community and Lifestyle

The small-town charm of communities like Gainesville, Cleveland, Dawsonville, and Dahlonega fosters a sense of belonging and connection. Residents often find themselves engaging in community events, farmers’ markets, and local gatherings, creating a supportive network. This close-knit environment is particularly appealing to families looking for a safe place to raise children, retirees seeking a slower pace of life, and urban transplants searching for a sense of community.

### Access to Outdoor Activities

Northeast Georgia is a haven for outdoor enthusiasts. With an abundance of hiking trails, rivers, and state parks, residents can easily explore the region’s natural beauty. Whether it’s hiking the Appalachian Trail, fishing, boating, skiing in Lake Lanier, or exploring the waterfalls of the Chattahoochee National Forest, the opportunities for adventure are endless. Small farms often provide a base for these activities, allowing

**Kim Waters**



- Childhood Ambition: Architect
- Indulgence: Sleeping Late
- Last Purchase: Rock Rip Rap
- Most Unusual Gift: Oil of Olay
- My Hero: My Mom
- First Car: Chevette
- Inspiration: Daily Bible Reading & Devotional
- Proudest Accomplishment: Instrument Rating - Airplane
- Perfect Day: Planned & Structured – Don’t do well unplanned
- Favorite Movie: Lonesome Dove
- Favorite Song: Goodness of God
- Favorite Singer: Chris Stapleton
- My Life: Charmed
- My Company: Norton Residential Group

## NORTHEAST GEORGIA RUNWAY LENGTH



|                      |                   |
|----------------------|-------------------|
| <b>Athens</b>        | <b>6,122 feet</b> |
| <b>Lawrenceville</b> | <b>6,001 feet</b> |
| <b>Cornelia</b>      | <b>5,503 feet</b> |
| <b>Gainesville</b>   | <b>5,496 feet</b> |
| <b>Winder</b>        | <b>5,202 feet</b> |
| <b>Jefferson</b>     | <b>5,010 feet</b> |
| <b>Toccoa</b>        | <b>5,008 feet</b> |
| <b>Elberton</b>      | <b>5,004 feet</b> |
| <b>Blairsville</b>   | <b>5,004 feet</b> |
| <b>Ball Ground</b>   | <b>5,003 feet</b> |
| <b>Jasper</b>        | <b>5,000 feet</b> |
| <b>Canon</b>         | <b>5,000 feet</b> |
| <b>Ellijay</b>       | <b>3,507 feet</b> |
| <b>Dahlonega</b>     | <b>3,024 feet</b> |

DATA SOURCE: FEDERAL AVIATION ADMINISTRATION

residents to enjoy the great outdoors right in their backyard.

### Cultural Heritage and Agriculture

Northeast Georgia has a rich agricultural heritage that continues to shape the region’s identity. Many residents are drawn to the area’s history of farming and the opportunity to participate in this tradition. From heirloom crops to artisanal products, small farms contribute to the local economy and culture, fostering a sense of pride and connection to the land. Engaging in farming activities can also serve as a way to preserve traditional agricultural practices and heritage.

### Telecommuting and Remote Work

The COVID-19 pandemic accelerated a shift towards remote work, allowing individuals to



live farther from their workplaces. As a result, many have chosen to escape the hustle and bustle of urban life for the tranquility of rural living. With more people working from home, small farms and homes on small acreage have become attractive options, providing the perfect blend of work and leisure in a serene environment.

As the demand for small farms and homes on small acreage continues to rise in Northeast Georgia, it's clear that the allure of a simpler, more sustainable lifestyle resonates with many individuals and families. The combination of natural beauty, community spirit, and the opportunity for self-sufficiency makes areas near Gainesville, Cleveland,

Dawsonville, and Dahlonega an ideal place for those looking to embrace this lifestyle. Whether you're dreaming of growing your own food, raising animals, or simply enjoying the quiet charm of rural life, Northeast Georgia offers a welcoming embrace for all who seek it.

**Kim Waters**, SVP/Partner  
Norton Residential Group





## 2025 MULTI-FAMILY

This last year has been an interesting one in the multi-family rental market. I have noticed several key things that have affected the market and subsequently slowed it down. Currently, there are approximately three hundred vacant units in the downtown Gainesville area and 600-700 vacant units within the Gainesville city limits. The market is saturated with these units, and more are under construction which will only add to the number of units available. This saturation has created a challenging environment for property managers and landlords, as finding tenants for these vacant units is increasingly competitive.

To address the number of vacant units, apartment complexes are offering a variety of incentives to entice prospective tenants. These incentives vary by complex and include things like a few months of free rent, hundreds of dollars on gift cards, waiving fees, or a combination of all of these strategies. As the units under construction come to completion, I can only see the offered incentives getting more enticing to encourage prospective tenants to sign.

The type of units that make up the current inventory fail to address an established need—affordable housing. I regularly receive calls from and give tours to people who are looking for housing in the \$600-\$1,000 per month dollar range. The average one-bedroom apartment in downtown Gainesville is around \$1,600, and within city limits, the average one-bedroom unit is around \$1,400. Housing for lower-income individuals is difficult to secure. People with vouchers for government housing sit on waitlists until a unit becomes available, which can take months to years.

Now, for 2025, the job growth in Gainesville continues to improve. The medical field in the area continues on an upward climb. Northeast Georgia Medical Center is Gainesville's largest employer. The new tower is nearing completion, and when construction ends it will bring over one hundred jobs to the community. With the introduction of the new tower, there will be a draw to fill these job openings. These employees will become tenants that will help fill the vacant units. In addition to healthcare, industrial growth in Gainesville is gaining momentum. We have the development of new manufacturing facilities and distribution centers to further draw prospective residents to the area. This expansion is bringing a surge of job opportunities in logistics, production, and support services, drawing a diverse workforce to the area. These workers, many of whom will seek nearby housing, are expected to drive demand for workforce housing options, further stabilizing the multifamily market. Together, growth in the medical and industrial sectors positions Gainesville as a hub of economic opportunity in Northeast Georgia, which will foster a stronger local housing market.

Gainesville has grown 15% since 2020 and continues to grow by at least 3% each year. This sustained growth, paired with strong job prospects and ongoing infrastructure development, points to a brighter future for the multifamily housing market. As more residents move to the area, demand is expected to rise, creating opportunities for developers and property owners alike to share in a robust future.

**Jason Mamrick**  
Norton Residential Property Manager

## SINGLE FAMILY RENTAL

In recent years, North Georgia has emerged as a significant player in the single-family rental market. A combination of attainable housing, a growing job market, and rising population has led to strong demand for rental properties, especially in North Georgia communities. This demand has been driven by both in-migration from other states and robust local job growth. The ongoing appeal of single-family rentals can be attributed to their relative affordability compared to multi-family apartment units, as well as the privacy and space they offer. From 2020 to 2023, the average rent for single-family homes in North Georgia increased by nearly 15% annually, mirroring the broader trend seen across the U.S. However, this rate of growth has shown signs of slowing as the market begins to balance in 2024. For instance, rents for single-family homes in the region now average between \$1,900 and \$2,400 per month. The growing competition from newly developed multi-family properties could further moderate rent increases. For the first time since 2019, single-family rentals are staying on the market for up to 45 days, a sharp contrast to the 10-day turnover seen between 2020 and 2023. In 2024, more than 300 new multi-family units were added in Gainesville, with 70% of those units being

delivered in the third quarter alone. Although we've seen a slight slowdown in rental demand, we anticipate that the absorption rate will rise within the next six months, and pressure from demand will once again intensify.

One key factor to monitor is the potential rise in mortgage rates, which could dampen home-buying activity. Stable or increasing interest rates will keep more individuals and families in the rental pool, further increasing demand as population growth continues. Additionally, higher mortgage rates may also limit buyers' purchasing power, exacerbating the region's shortage of affordable housing, and further intensifying the preference for rentals as first-time buyer home supply stays tight due to a decrease in move-up purchasing typically seen by buyers that currently enjoy ultra-low rates. At Norton, we're observing a growing trend of tenants staying in rental properties for 4+ years on average, a shift that is expected to continue as rent increases stabilize around 3% annually.

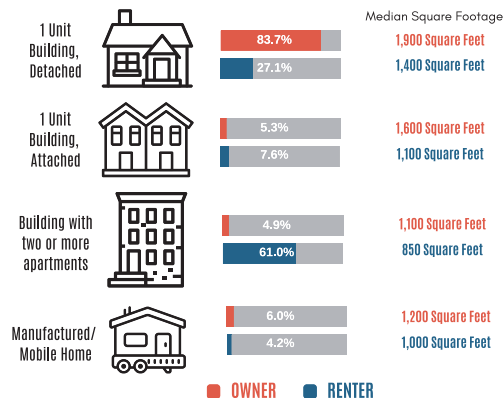
For investors, North Georgia remains an attractive landscape in 2025. With its relatively affordable property prices and strong rental demand, the region will likely continue to draw attention from both institutional investors and individual buyers. The increasing demand for single-family rentals presents a solid opportunity for those looking to capitalize on long-term growth.

**Emilie Norton Cisco, Vice President**  
Norton Asset Management

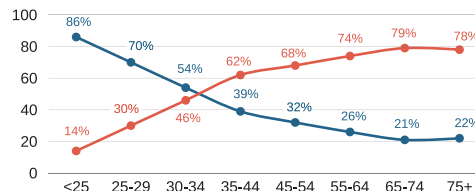


## OWNER & RENTER CHARACTERISTICS

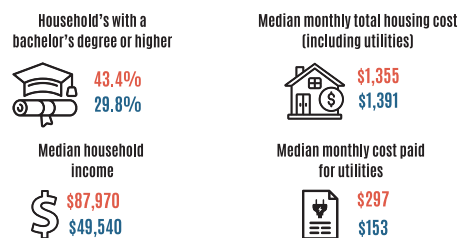
### WHAT KIND OF HOMES ARE OWNERS AND RENTERS LIVING IN?



### PERCENTAGE OF OWNERS AND RENTERS BY AGE OF HOUSEHOLDER



### CHARACTERISTICS OF OWNERS AND RENTERS



DATA SOURCE: US CENSUS, AMERICAN HOUSING SURVEY 2023



# FIRST PERSON SNAPSHOTS GUEST PERSPECTIVES





## INSURANCE

Windstorms, hail, flooding, and freezing temperatures have devastated the southeast in the last several years. Across the United States, increasingly extreme weather events have caused some property insurance markets to buckle and, in some cases, break entirely. What used to be an afterthought in the purchase of real estate, Insurance has become a defining factor in the buying decisions of real estate investors.

Underwriting losses across the U.S. have spiked causing insurance companies to struggle with keeping up with losses through aggressive rate restructuring. Not only have we suffered from weather related property losses, but in 2023, Georgia was ranked the **MOST CHALLENGING LEGAL CLIMATE IN THE COUNTRY**, by The American Tort Reform Association, thanks in large part to several large nuclear liability verdicts. As a result, not only are premiums being affected, but availability of coverage is becoming an issue making real estate investment a moving target.

Homeowners, renters, and landlords are all feeling the pinch of insurance costs. On the Homeowners front, the insurance climate in Georgia has led to multiple insurance companies exiting the state's marketplace altogether. Recent storms have changed insurance companies' thinking as they redraw coastal maps to include hard hit areas like Augusta, Charlotte and Ashville, North Carolina and who knows who's next, in their restricted zones. Previously Insurance companies limited their exposure primarily in coastal areas, but these recent storms have expanded the scrutiny to limit coverage beyond just the coastline and increase prices as well.

In addition, as repair costs and replacement values have risen, insurance companies are forcing insureds to increase their coverage limits, which adds to operating costs and reduces investment returns. While very few claims end up as total losses, partial losses can be just as devastating to future insurance costs for a property. A large factor in underwriting of insurance is prior loss history. With each claim reported, future pricing, and, in some cases, future availability of coverage is impaired. In North Georgia, most prevalent of these repairs come when predatory roofing companies show up immediately upon hearing of potential hailstorm, offering free inspections which almost always leads to the determination of hail damage. Property owners often jump at the opportunity to replace an aging roof, without understanding the ramifications of how this affects their ability to buy insurance in the future.

Insurance companies not only are raising rates but are also shifting some of the financial burden to property owners, by increasing deductibles, or adding endorsements that limit coverage altogether. Insufficient insurance coverage, whether from floods, storms, wildfires, or other perils, leave property owners, lenders, and other parties at risk. Not all potential economic losses are insurable, but even those that should be insurable may be uninsured or inadequately insured because the property owner is unable or unwilling to pay requested premiums or the insurance is unavailable in the marketplace.

These uncertainties are particularly troubling to investors where landlords are seeing investment returns disappear due to large scale premium increases, or the requirement to update and upgrade their physical plant. Shrinking returns have sometimes caused banks to consider properties at risk or out of trust with loan covenants.

The insurance market has had to readjust to changing climate and building conditions, investors are forced to constantly assess their coverage, build up capital reserve accounts, repair and replace components based on reserve studies, and do what they can to minimize risk exposure. With the industry predicting a continuation of annual increases

**Bob Norton**



**Childhood Ambition:**  
**Indulgence:**  
**Last Purchase:**  
**Most Unusual Gift:**

To be the quarterback for the Miami Dolphins  
 Chocolate  
 Ford F150 Raptor  
 Carved Alabaster Eagle head passed down from my father

**My Hero:**  
**First Car:**  
**Inspiration:**  
**Proudest Accomplishment:**  
**Perfect Day:**  
**Favorite Movie:**  
**Favorite Song:**  
**Favorite Singer:**  
**My Life:**  
**My Company:**

My Mother  
 Datsun B210  
 My Mother  
 Being a father to my 5 children  
 Hiking in the woods – no cell phone  
 Saving Private Ryan  
 Man Made a Bar by Morgan Wallen  
 Morgan Wallen  
 Is my family business  
 Legacy Risk Solutions



in premiums and investors need to fund reserve accounts, and closely monitor their policies to avoid the unfortunate discovery of a potential loss that will devastate their portfolios.

With all these troubling factors, we at Legacy Risk have had to revise our own investor strategy. We are now closely considering location, age and condition of buildings, insurance to values, prior claims history, along with neighborhood crime scores as we analyze an investment. Crime scores, while a new tool in underwriting, have become a highly controversial topic, particularly for Affordable Housing. Affordable Housing often is built in areas with higher crime scores when compared with traditional rental properties due to the availability of cheaper land. Thus, affordability becomes an even harder goal to achieve since they are highly likely to have exclusions for crime or relatively high insurance premiums.

Not only in housing but the crime factor has escalated in concern for all property owners as Georgia laws have been stretched, to include the landlord’s responsibility for the acts of a tenant’s guests while on their property. Nationwide, plaintiffs have had increasing success pursuing claims against property owners, including for liability arising out of assault and battery (A&B), sexual abuse and molestation (SAM), firearms, and other various crimes.

We are advising clients to be more careful with tenant selection as many insurance carriers are no longer insuring or at least surcharging locations with tenants such as Restaurants and Bars, Vape Stores, Novelty Stores, Woodworking, 24-Hour Operations, and shopping centers with large poorly lit parking lots.

Rising insurance premiums are not the fundamental problem. Rising premiums should be viewed as a market-based reflection of rising loss costs. In the long run, insurance premium growth can be constrained only when the underlying loss-causing fundamentals are addressed. There are no easy solutions. Efforts to address this challenge must extend beyond the insurance sector and will take substantial time and effort to develop, agree upon, and implement. The longer this takes, the more we will see the cost and availability problem spread throughout the broader economy.

Governor Kemp recently said, “As the No. 1 state for business for 11 consecutive years, we have always made it a priority to foster a pro-business environment that empowers job creators to create opportunity for the hardworking people of Georgia. The unfortunate reality is our current litigation climate has led to increased costs for consumers and a higher barrier to entry for those who

want to create jobs in our state.” We urge you to be heard and call your legislature. Tell them this is personal and now is the time to act.

**Bob Norton**, Executive Chairman  
Legacy Risk Solutions

## BANKING AND FINANCE

### Interest Rates, Fraud, Appetite, and Election Impacts

Norton Native Intelligence asked me to put together some thoughts on Banking and Finance for this forecast. Before joining the Norton Agency in 2021, I spent 23 years working in commercial banking with the last 13 years as a Senior Regional Credit Officer for Wachovia/ Wells Fargo on a team covering the southeast. At Norton, we have many banking friends and partners throughout Northeast Georgia, and I reached out to them in mid-November to have them share some of their thoughts as we look forward into 2025 and beyond. A special thanks to bankers at Cadence, First Citizens, Pinnacle, Truist, United Community, and Wells Fargo for sharing some of their thoughts and economic data with me to help me

**Michael Westbrook**



|                          |   |
|--------------------------|---|
| Childhood Ambition:      | MLB Pitcher or NFL Quarterback              |
| Indulgence:              | Golf  |
| Last Purchase:           | Lunch                                       |
| My Hero:                 | Warren Buffet                               |
| First Car:               | Ford Taurus                                 |
| Inspiration:             | My family                                   |
| Proudest Accomplishment: | Mickie, Kate, Ben and Blake                 |
| Perfect Day:             | 36 Holes in Scotland                        |
| Favorite Movie:          | Miracle                                     |
| Favorite Song:           | It’s a Great Day to be Alive – Travis Tritt |
| Favorite Singer:         | George Strait                               |
| My Life:                 | Trying to be my best                        |
| My Company:              | The Norton Agency                           |

### FDIC INSURED DEPOSITS IN COMMERCIAL BANKS

| County    | Number of Institutions | Number of Offices | Deposits (in thousands) |
|-----------|------------------------|-------------------|-------------------------|
| Banks     | 2                      | 2                 | \$139,418               |
| Barrow    | 9                      | 14                | \$1,605,072             |
| Cherokee  | 15                     | 39                | \$5,211,527             |
| Dawson    | 7                      | 7                 | \$1,005,730             |
| Fannin    | 5                      | 7                 | \$1,302,993             |
| Forsyth   | 20                     | 53                | \$7,008,553             |
| Franklin  | 4                      | 10                | \$543,123               |
| Gilmer    | 4                      | 5                 | \$825,304               |
| Gwinnett  | 37                     | 165               | \$24,569,608            |
| Habersham | 6                      | 10                | \$1,246,839             |
| Hall      | 15                     | 37                | \$5,503,821             |
| Hart      | 5                      | 5                 | \$537,914               |
| Jackson   | 10                     | 14                | \$1,485,819             |
| Lumpkin   | 6                      | 6                 | \$646,249               |
| Madison   | 2                      | 5                 | \$261,761               |
| Oconee    | 9                      | 11                | \$1,599,092             |
| Pickens   | 7                      | 9                 | \$1,122,251             |
| Rabun     | 6                      | 7                 | \$644,935               |
| Stephens  | 5                      | 6                 | \$424,403               |
| Towns     | 2                      | 2                 | \$510,578               |
| Union     | 5                      | 6                 | \$1,281,948             |
| Walton    | 11                     | 15                | \$1,686,268             |
| White     | 5                      | 6                 | \$818,436               |
|           |                        |                   | <b>\$59,981,642</b>     |

SOURCE: FDIC 2024

shape these comments. The comments are mine personally and do not reflect any specific positions or opinions of the banks or bankers mentioned.

#### Interest Rates

This is being written in mid-December with an expected 25 basis point rate cut by the Fed within the month and 2 to 3 additional Fed rate cuts currently expected by the market in 2025. What is interesting is that following the 25 basis point decreases in September and November 2024, the 10-year Treasury rate has actually moved up from around 3.75% to 4.25%. The 10-year Treasury rate is more closely aligned with mortgage rates and commercial borrowing rates than the Fed Funds / Prime short-term rates. So, what is driving this and where do rates go from here? While inflation has decreased significantly from the recent highs, it has not reached the Fed's 2% stated goal and seems to be ticking back up in the most recent measurements. Some of President-elect Trump's policy initiatives are also seen as potentially inflationary, especially the potential tariffs. I will

discuss the election impacts later. My opinion is that we will not see much overall movement in the 10-year Treasury rate in 2025 and that mortgage and commercial borrowing rates will remain about where they are today with maybe a slight decrease. I think the initial excitement of the Fed rate cuts / change in policy direction and decreased inflation may be offset by the persistent inflation above the 2% stated goal which may cause the Fed to pause and longer-term rates to stay in a range around 4% to 4.25%. That would likely equal mortgage rates in the low 6% range and commercial borrowing rates in the high 5% to low to mid 6% range depending on term, risk, and relationship.

#### Fraud

I think one of the biggest, if not the biggest, topics in Banking and Finance today is unfortunately FRAUD. Some terrible statistics – 1 in 4 people have lost money due to financial fraud, 65% of businesses were targets of financial fraud in 2022, and \$2.95B was lost through business email compromise in 2023. Whether you realize it or not, you and your business and any elders you know are a target and the fraudsters are getting better and better at it. A significant percentage of it, estimated at 44%, originates through fraudulent incoming calls

David D. Stovall



- Childhood Ambition: Rule the Planet
- Indulgence: Airplanes
- Last Purchase: Bose Headsets for airplane
- Most Unusual Gift: No clue...pretty weird stuff in the closet
- My Hero: Superman
- First Car: Ford Mustang Mach I
- Inspiration: Excelling in what I do
- Proudest Accomplishment: My grown daughter
- Perfect Day: Flying
- Favorite Movie: O Brother, Where Are Thou?
- Favorite Song: I get by with a little help from my friends
- Favorite Singer: Van Morrison
- My Life: Is exciting and fulfilling
- My Company: Norton Commercial & Acreage Group



and texts. If you did not initiate the call or text, be super careful. It is ok to hang up / not text back and after independently verifying contact information on the web, call or text the company back on the number you found. On the banking side, if you are not utilizing positive pay for checks or ACH fraud services for your accounts, talk to your banker. The banking industry has and continues to invest millions of dollars to identify, prevent and prosecute fraud. If you do not have cyber insurance in place for your business, talk to your insurance agent. We can help with that!

**Appetite**

Where does the banking industry stand on lending appetite? I think it will always be the case that if you are a top operator in most industries and/or have a large relationship with a lender, you will have access to all or most of the capital you need. But appetites for different loan types do change. Think about the Amazon impact on big box retail or the COVID impact on class A office space in large metro areas. I think owner-occupied real estate, and commercial and industrial buildings related to service industries, logistics, and manufacturing remain hot for our local banking market. The loans may be a little more expensive than the last time you shopped.

Make sure to understand your insurance costs as that market has gotten more expensive (again, we can help!) but you should find bankers willing to help you with those deals. While it has been hot in our local markets, I do feel like the lenders are showing a little concern for multi-family – let us see how all these new units are absorbed and where rents shake out – and mini-storage – again I think an absorption and rate question. And cooler areas for financing (not necessary return on investment!) remain office, retail, and land. Delinquencies in the banking industry remain extremely low, with some recent uptick in credit card and auto loans. And there remains a concern for the pending refinance of a lot of commercial real estate loans that will re-price at much higher rates than they were originated 2 to 5 years ago in a higher vacancy, flat to lower rent and higher CAP rate environment. Investors with cash, which do not need financing and/or can employ very low leverage, could be in a position to purchase some of these difficult to refinance assets/properties at extraordinarily low prices. I happen to know some commercial real estate brokers that can help with this too!

**Election Impact**

I think the overall business sentiment from the election is positive. At a minimum, it removes the waiting to see what will happen as an excuse for inaction. And more positive views are that it is some version of business friendly to extremely bullish. Harvard educated billionaire investor Bill Ackman has recently stated that we are entering “the most pro-growth, pro-business, pro-American administration I’ve perhaps seen in all my adult lifetime.” The expectation is that business

**HISTORIC INTEREST RATES**

|        |        |
|--------|--------|
| 1970'S | 8.89%  |
| 1980'S | 12.82% |
| 1990'S | 7.88%  |
| 2000'S | 6.18%  |
| 2010'S | 4.03%  |
| 2020'S | 5.10%  |

**HISTORIC HIGH**  
OCTOBER 1981: 18.6%

DATA SOURCE: US NEWS & WORLD REPORT, FREDDIE MAC. (MEDIAN INTEREST RATES)

(and other) tax expenses should decrease, and regulatory oversight has the potential to significantly decrease. I think the Department of Government Efficiency (D.O.G.E.) has the potential to make huge changes. I believe both political parties/all citizens can all agree that regulatory oversight needs changes and there is room for huge gains in efficiency in government. I also think it is becoming apparent to a greater percentage of the country that these significant changes are required to combat the national debt. Hopefully, this administration can initiate a change in that direction. The uncertain items to me are the potential tariffs and the immigration policy changes’ impact on labor. What tariffs will be implemented? At what level? Who pays the cost – supplier, manufacturer, consumer/ customer? How inflationary will the policy be and what impact will it have on growth, interest rates, etc.? As an example, do building costs shoot

back up like they did during COVID based on the tariffs on lumber coming from Canada? Or do the tariffs spark U.S. manufacturing gains as intended? And, on the immigration side, how aggressive are the policies going to be? And what impact does that have on an already strained labor supply? And what impact will it have on growth?

I expect 2025 to be a good year for our business and many others. We live in a wonderful part of the world and country and are blessed with amazing people, industry, and natural resources. I think the business environment will be improved in 2025 across the country with interest rates steady to slightly lower with some decreases in taxes and regulatory hurdles on the horizon. Stay vigilant against fraud! And know The Norton Agency and Legacy Risk Solutions are here to assist with your Real Estate and Insurance needs. Again, want to thank the banks I mentioned earlier and bankers listed below for sharing some thoughts and economic data with me for this section.

- Cadence Bank – Julie Taylor*
- First Citizens Bank – Srdjan Gavrilovic*
- Pinnacle Bank – Ryan Hammock & Neal Booth*
- Truist Bank – Dan Carey*
- United Community Bank – Sam Hulsey and Mitch Ralston*
- Wells Fargo Bank – Andrew Shannon*

**Michael Westbrook**, Chief Financial Officer Norton Legacy & Subsidiaries

2024 fiscal year was \$8,371,502.47. The new Boathouse at the Rowing Venue was entirely paid for by the Hotel/Motel Tax, which in turn brings more tourism to the area. It is not only a Boathouse and home to the rowing venue club, but it also works as an event space with facilities to host weddings, corporate events, and more. Within recent years, Lake Lanier Islands & Resort has brought new additions to their properties and are set to open the Sara D. Williams Chapel and Mendy Williams Bowling Garden in spring 2025. This will be Lanier Islands’ newest wedding venue since 2019. Lanier Islands has become a well-known destination for year-round family fun, weddings, corporate events, and more.

Over the past twenty years, the business model at Jaemor has shifted from primarily production agriculture towards an on-farm family experience. What my grandfather Jimmy Echols called a “fad” has become the bread winner for our family. While we currently farm more acres than ever, we find ourselves building more slides and games than planting trees. We have hosted our annual Harvest Celebration during the fall with a corn maze, pumpkin patch, flower field and games and activities since 2006. Now, we have expanded further into U-pick flowers, strawberries, and peaches throughout the spring and summer months. It’s hard to find a local car tag in our parking lots on the weekends. Families are coming from Miami



**Drew Echols**

## T ⊕ URISM

Tourism is not a new topic, but the trends of tourism within Hall County and North Georgia are growing and bringing something for everyone. Whether you are looking for U-Pick Strawberries, slide on a waterslide, or a foodie experience on the Gainesville Square, Hall County and North Georgia have something for you. The growth of Hall County can be largely attributed to the tourism industry and the economic development that it has brought.

The revitalization of the Historical Gainesville Square and additions of new shops, restaurants, and hotels have brought tourism downtown. With the addition of the Courtyard by Marriott, the Square is now a central point for visitors. Dr. Jeff Payne mentioned that tourism has a “relatively low impact on infrastructure, yet almost all incentives statewide go to manufacturing. Tourism benefits virtually every part of the state,” and I agree, it especially benefits us, here in Hall County.

Within the last five years, Gainesville has seen a million dollar increase in revenue from the Hotel/Motel Tax. In the 2020 fiscal year, the total tax revenue from the Hotel/Motel Tax was \$1,222,406.88, and in the 2024 fiscal year, there was a total of \$2,211,626.32 tax revenue. The total revenue collected from the 2020 fiscal year to the

- |                                 |   |
|---------------------------------|---|
| <b>Childhood Ambition:</b>      | Be a farmer like my dad and grandfather                         |
| <b>Indulgence:</b>              | Good wine   |
| <b>Last Purchase:</b>           | Red Tennis Shoes  |
| <b>Most Unusual Gift:</b>       | Rattlesnake Vertebræ Cuff Links                                 |
| <b>My Hero:</b>                 | Bill Brimm, South Georgia, Farmer                               |
| <b>First Car:</b>               | Red Saturn  |
| <b>Inspiration:</b>             | My family   |
| <b>Proudest Accomplishment:</b> | My family   |
| <b>Perfect Day:</b>             | Picking peaches from 7A to 7P and actually having them all sold |
| <b>Favorite Movie:</b>          | Top Gun   |
| <b>Favorite Song:</b>           | Heartland by George Strait                                      |
| <b>Favorite Singer:</b>         | George Strait   |
| <b>My Life:</b>                 | My life is fast paces, blessed, and full                        |
| <b>My Company:</b>              | Jaemor Farms  |



**BANKS COUNTY**

**Cain Farms**

1547 Fort Lamar Rd  
Commerce, GA 30530  
706.612.0834

**Merk Farms**

233 Mitchell Rd  
Commerce, GA 30529  
706.476.4747  
www.merkfarmsga.com

**BARROW COUNTY**

**Dirt Road Farm**

446 Ross Drive  
Winder, GA 30680  
706.338.8171

**Finch Creek Farm**

1420 Finch Rd  
Winder, GA 30680  
770.314.9300

**Fry Farm**

590 Cross Ln NW  
Bethlehem, GA 30620  
www.fry-farm.com

**Patrick Farms**

372 Rockwell Church Rd NW  
Winder, GA, 30680  
404.200.1740

**Pharr Farms**

Argonne Road  
Winder, GA 30680  
678.925.0246

**DAWSON COUNTY**

**Burt's Farm**

5 Burts Pumpkin Farm Road  
Dawsonville, GA 30534  
706.265.3701  
www.burtspumpkinfarmgeorgia.com

**Robinson Heritage Farm**

1115 Dawson Forest Rd W  
Dawsonville, GA 30534  
706.531.6524  
www.robinsonheritage.farm

**Seven Seay's Farm**

207 Seay Drive  
Dawsonville, GA 30534  
www.sevenseaysfarm.com  
678.283.8208

**FORSYTH COUNTY**

**Blueberry Gardens**

5475 Crow Rd  
Cumming, GA 30041  
www.blueberrygarden.org  
770.889.1515

**Circle A Farms**

2895 Dishroom Rd.  
Cumming, GA 30028  
www.circlealettuce.com  
770-406-9345

**Warbington Farms**

5555 Crow Rd  
Cumming, GA 30041  
www.warbingtonfarms.com  
770-889-1515

**FRANKLIN COUNTY**

**Reno's Creek Farm**

315 Reno Rd  
Royston, GA 30662  
706.201.6784  
www.renoscreekfarm.com

**GILMER COUNTY**

**Aaron Family Orchards**

8350 Hwy 52E  
Ellijay, GA 30536  
706.669.7342  
www.aaronfamilyorchards.com

**BJ Reece Orchards**

9131 GA-52  
Ellijay, GA 30536  
706.276.3048  
www.reeceorchards.com

**Ellijay Mushrooms**

2269 Old Flat Branch Rd  
Ellijay, GA 30540  
678.570.6888  
www.ellijaymushrooms.com

**Hillcrest Orchards**

9696 Hwy. 52 E  
Ellijay, GA 30536  
706.273.3838  
www.hillcrestorchards.net

**Penland Orchards**

41 Talona Mountain Road  
Ellijay, GA 30540  
706.635.5110  
&  
7678 Tails Creek Road  
Ellijay, GA 30540  
www.penlandorchards.com

**R & A Orchards**

5505 Hwy 52 E  
Ellijay, GA 30536  
www.randorchards.com  
706.273.3821

**Red Apple Barn**

3379 Tails Creek Road  
Ellijay, GA 30540  
706.635.5898  
www.redapplebarn.com

**HABERSHAM COUNTY**

**Arrows Farm**

1823B Shoal Creek Rd  
Clarksville, GA 30523  
808.225.9225  
www.thearrowfarm.com

**Bey Family Farms**

750 Sawmill Rd  
Demorest, GA 30535  
937.901.6174  
www.beyfamilyfarms.com

**HALL COUNTY**

**Green Box Mushrooms**

1604 Athens Hwy  
Gainesville, GA 30507  
678.687.8354  
www.greenboxmushrooms.com

**Hopewell Farms**

4828 Hopewell Church Rd  
Gainesville, GA 30506  
706.254.4406  
www.hopewellfarmsga.com

**Jaemor Farms**

5340 Cornelia Hwy  
Alto, GA 30510  
770.869.3999  
www.jaemorfarms.com

**Kattula Family Farms**

4790 Cap Martin Drive  
Gainesville, GA 30506  
404.518.1571  
www.kattulafamilyfarms.com

**Kinsey Family Farm**

7170 Jot-em Down Road  
Gainesville, GA 30506  
770.887.6028  
www.kinseyfamilyfarm.com

**JACKSON COUNTY**

**Cottonwood Farms**

7212 Winder Hwy  
Jefferson, GA 30549  
www.cottonwoodfarms.org

**O5 Farms**

279 Storey Porter Rd  
Jefferson, GA 30549  
706.510.8212  
www.o5farms.com

**LUMPKIN COUNTY**

**Heirloom Gardens**

1367 Clay Creek Falls Rd  
Dahlonega, GA 30533  
404.317.2647

**PICKENS COUNTY**

**Buice Family Farms**

8950 Highway 53 W  
Jasper, GA 30143  
678.454.3544

**RABUN COUNTY**

**Hillside Orchard**

18 Sorghum Mill Drive  
Lakemont, GA 30552  
706.782.2776  
www.hillsideorchard.com

**Osage Farms**

5030 US-441  
Dillard, GA 30537  
706.746.7262  
www.osagefarm.com

**Mercier Orchards**

8660 Blue Ridge Dr  
Blue Ridge, GA 30513  
706.632.3411  
www.mercier-orchards.com

**Osage Farms**

5030 US-441  
Dillard, GA 30537  
706.746.7262  
www.osagefarm.com

**STEPHENS COUNTY**

**Little Toccoa Creek Farm**

1517 Camp Mikell Rd  
Toccoa, GA, 30577  
404.512.5621

**Peach House Farm**

2950 W Currahee St  
Toccoa, GA 30577  
www.peachhousefarm.com

**UNION COUNTY**

**7M Family Farms**

596 Crump Creek Road  
Blairsville, GA  
www.7mfamilyfarms.com

**Foster Produce**

7228 Blue Ridge Hwy  
Blairsville, GA 30514  
706.745.0540  
www.fosterproduce.com

**Levity Farms**

Blairsville, GA  
678.472.7584  
www.levityfarms.com

**WHITE COUNTY**

**Loganberry Heritage Farm**

2660 Adair Mill Rd  
Cleveland, GA 30528  
https://loganberry-heritage-farm.square.site

**Humble Vine Farm**

Cleveland, GA  
770.530.3287  
www.sites.google.com/view/humblevinefarm

and New Orleans to vacation in Cleveland. They are spending time on the farm playing and other activities.

It's not just our farm that is seeing a growth in agritourism in Hall County. There are opportunities both big and small within the county for agritourism. Wineries, corn mazes and Christmas tree farms from Buford to Clermont are giving our urban neighbors a chance to get outdoors. The agritourism industry in Hall County has an opportunity to continue growing, and these businesses are just a few of the many agritourism spots to experience in Hall County.

Although I am not able to predict the growth that Hall County will experience in the tourism industry, I think we can expect to see continued growth and expansion. Hall County has potential to continue to grow and develop with many well-known tourist locations and attractions.

**Drew Echols, Owner/Operator Jaemor Farms**  
 Georgia State Senator, District 49

## THE CURRENT STATE OF SELF-STORAGE

As you drive around our area these days, it almost feels like you see a self-storage facility on every corner. Georgia is home to 1,502 storage facilities... and no, they are not all in Hall County. Georgia has 159 counties, second only to Texas with 254 counties. So, these 1,502 facilities are spread out over all of our state with Northeast Georgia being home to approximately 60 self-storage facilities and approximately 21 of those being in Hall County.

Georgia has experienced significant growth in self-storage facilities over the last decade, driven by population increases and a strong real estate market. Georgia's population has grown by 1.1% annually, adding over 120,000 new residents per year, and self-storage facilities will usually find themselves around roof top growth. Additionally, coupled with this strong real estate market and population growth is the inflation in the housing industry, the rise in interest rates, and the resulting increase in apartment complexes which has also helped to spark the growth in self-storage. Many are finding that the amount of house they can afford does not fit for all their "stuff", or worse they find themselves having to go back and live "with Mama-N-Em". The result is growth in the storage industry where nationwide, approximately 9.4% of households rent a storage unit, with Georgia aligning closely with this trend. Over 50% of the reasons self-

## MINI WAREHOUSE SELECT MARKETS

|                  |               |
|------------------|---------------|
| <b>BANKS</b>     | <b>695</b>    |
| <b>DAWSON</b>    | <b>2,056</b>  |
| <b>FORSYTH</b>   | <b>17,500</b> |
| <b>HALL</b>      | <b>18,500</b> |
| <b>HABERSHAM</b> | <b>2,950</b>  |
| <b>JACKSON</b>   | <b>1,100</b>  |
| <b>LUMPKIN</b>   | <b>2,245</b>  |
| <b>WHITE</b>     | <b>1,750</b>  |

DATA SOURCE: US NEWS & WORLD REPORT, FREDDIE MAC. (MEDIAN INTEREST RATES)

\*Does not include covered or open air RV or boat storage

storage renters give for storing items are these two: "No room at Home/ Residence" and "Changing Residences."

Fox 5 Atlanta reports that by 2050 the Atlanta-Metro's population is expected to swell to 8 million people. The article stated that. "The metro Atlanta area had the third-largest total population increase between 2022-2023, with only the Houston and the Dallas-Fort Worth metros adding more people." When Atlanta grows...so does our beautiful little corner of the state. Therefore, we have had growth in self-storage facilities. These facilities are used by both residential and business customers,

**Mike Underwood**



**Childhood Ambition:**  
**Indulgence:**  
**Last Purchase:**  
**Most Unusual Gift:**

**My Hero:**  
**First Car:**  
**Inspiration:**  
**Proudest Accomplishment:**

**Perfect Day:**  
**Favorite Movie:**  
**Favorite Song:**  
**Favorite Singer:**  
**My Life:**  
**My Company:**

Make a positive difference  
 Finding treasures at Estate Sales  
 Mountain Khakis from Buckhead Goodwill  
 Two grandchildren, born the same day, different parents  
 Growing up it was Pete Maravich  
 Pontiac Sunbird - Yellow  
 My faith and family  
 Chairman of Good News at Noon Homeless Shelter while building a \$3.5 million building. Starting with very little funds and finished with no debt.  
 Fly Fishing on a Snowy Day  
 Top Gun  
 Christmas Hallelujah by Cloverton  
 Zach Williams  
 Redeemed  
 Peach State Bank & Trust



with residential customers being approximately 70 percent of the tenants. These numbers can change, depending on the market.

With this population growth that we have experienced and the need for such facilities increasing over the years, this has brought investors to the table for these solid real estate investments. The demand from investors, especially REITs, have increased tremendously over the last decade due to the stable long term, generation of cash flows that are commonly achieved by self-storage investments. In addition, cap rates have ranged from a low of 7% (high prices paid for exceptional properties) to a high of 14% (low prices paid for inferior properties). Yet, more recently, cap rates have trended downward to rates between 5.00% to 7.00% as investors chase returns in this industry type.

With all the love that self-storage has received and the growth in the number of facilities, the \$64,000 dollar question becomes “Is this industry overbuilt?” As a banker this is an important question along with adhering to the banking regulation from the 2006 FDIC Guidance on Concentrations in Commercial Real Estate Lending. The guidance was written in response to the rapid growth in commercial real estate back in that period. Does anyone remember 2008? That time still brings shivers to my core. During that period some banks paid as much attention to that guidance as we do a yield sign in the middle of nowhere. This concentration of credit guidance limits the dollar amount of loans in lending types to a percentage of a bank’s capital. We have systems in place to ensure that we keep dedicated monitoring of commercial real estate loan types. Our banking regulators like to make sure we do as well.

For many banks, as the growth in the self-storage industry has increased, so have the concentration percentages in this loan type. Unless you are a REIT or you still have significant cash from your grandpa’s moonshine operation from way back, your banker must make sure there is room in that category if you are requesting a loan for this property type.

With regards to the question of being overbuilt, the data tells us in the recent past that the occupancy rates were running at a 90% to 100% clip in this industry. Benchmarks in self-storage industry suggest that a healthy occupancy rate ranges between 85%-90%. In Georgia, certain suburban submarkets are reporting rates as low as 70%-75%, and some rural facilities often underperform with occupancy rates below 60%. Another metric is the average rental rates; a 10x10 non-climate-controlled



**Joe Elias**

|                          |                                   |
|--------------------------|-----------------------------------|
| Childhood Ambition:      | Professional Soccer Player        |
| Indulgence:              | Oreo Cookies – Double Stuffed     |
| Last Purchase:           | Autographed Baseball Card         |
| Most Unusual Gift:       | Beef Jerky                        |
| My Hero:                 | My dad                            |
| First Car:               | Cadillac                          |
| Inspiration:             | Family and friends                |
| Proudest Accomplishment: | Running the Peachtree Road Race   |
| Perfect Day:             | Braves night game                 |
| Favorite Movie:          | Dark Knight - Batman              |
| Favorite Song:           | Dinosaur – Hank Williams, Jr.     |
| Favorite Singer:         | Frank Sinatra                     |
| My Life:                 | Is a constant journey of growth   |
| My Company:              | Norton Commercial & Acreage Group |

unit is renting for \$93 per month in our area, while the average rental rate nationwide for a 10x10 non-climate-controlled unit is \$114. We are also seeing that promotions and discounts are more prevalent, signaling that facilities may be struggling to attract and retain tenants.

Based on recent data it appears that the self-storage market in Georgia, especially in North Georgia, appears to be heading toward oversupply. For investors, it seems that focusing on existing facilities in underserved submarkets with stable occupancy and limited competition may be the best bet in getting into this industry at the present time.

**Michael T. Underwood, SVP**  
 Peach State Bank and Trust  
 Commercial Lending

*Resources Consulted:*

- The of Self-Storage in Georgia: Self-Storage Industry Trends and...*
- U.S. Self-Storage: Market Trends & Outlook – Cushman & Wakefield*
- Self-Storage Market Outlook 2023-24*
- Atlanta, GA Self-Storage Market Report – Matthews*
- Atlanta Self Storage Market Statistics*
- Fox 5 Atlanta*
- Storage Café – Atlanta Self Storage Market Statistics*
- SSA 2020 Self Storage Demand Study*



## BUSINESS VALUATIONS AND SALE FORECAST

It seems that the first half of 2024 was a time when businesses were hesitant to spend money and have an aggressive approach. Somewhere during the summer months, the climate started to shift knowing that election uncertainty would soon be over, the federal reserve signaling interest rate cuts, and an overall attitude shift away from slight paralysis in the previous 12-24 months. In fact, “Consumer confidence recorded the strongest monthly gain since March 2021, but still did not break free of the narrow range that has prevailed over the past two years,” said **Dana M. Peterson, Chief Economist at The Conference Board**. “In October’s reading, all five components of the Index improved. Consumers’ assessments of current business conditions turned positive. Views on the current availability of jobs rebounded after several months of weakness, potentially reflecting better labor market data. Compared to last month, consumers were substantially more optimistic about future business conditions and remained positive about future income. Also, for the first time since July 2023, they showed some cautious optimism about future job availability. “October’s increase in confidence was broad-based across all age groups and most income groups. In terms of age, confidence rose sharply for consumers aged 35 to 54. On a six-month moving average basis, householders aged under 35 and those earning over \$100K remained the most confident.” Strategic acquirers continued their search for synergistic business acquisitions during the year but became much more bullish in the last half of the year.

### • Small Business Optimism

Small business optimism is increased in 2024 as inflation concerns eased and consumer spending and business investment remained strong.

### • Business Investment

Business investment in equipment and intellectual property is expected to increase in 2025.

### • Private Equity:

There are more than 18,000 Private Equity Firms in the U.S. with approximately \$4.4 Trillion dollars in assets under management. In addition, they have more than \$1 Trillion dollars in cash available to invest! There is a LOT of cash on the sidelines waiting.

As of September 2023, there were over 62,000 companies in the United States that were backed by private equity (PE) and venture capital (VC). The number of PE-owned companies has been increasing, and they have outnumbered publicly held companies

since around 2012. These firms tend to see the acquisition of other companies as a path to faster growth as they can buy a current customer base and an operating business instead of starting them from scratch. This means that most businesses that are producing anything upward of \$1,000,000 in profits may have some interest from Private Equity and certainly the majority of the companies with profits above \$3,000,000 will have significant interest from private equity buyers. These are professional business buyers so a business owner should ensure that they have the appropriate business representation on their side so that they don’t leave money on the table and fully understand the intricacies of a significant business transaction.

*www.southeastbusinessadvisors.com*

### • Small Business Market:

Most businesses in the United States are small businesses (under 500 employees). In 2024, 99.9% of businesses in the United States were small businesses, which is about 31.7 million businesses.

Most U.S. adults (86%) say small businesses have a positive effect on the way things are going in the country these days, according to a recent Pew Research Center survey. Small businesses, in fact, receive by far the most positive reviews of any of the nine U.S. institutions we asked about, outranking even the military and churches.

**Matt Slappey**



|                          |   |
|--------------------------|---|
| Childhood Ambition:      | Pilot   |
| Indulgence:              | Praline Pecans  |
| Last Purchase:           | Two daughters’ weddings in 6 months   |
| My Hero:                 | Jesus Christ first and then veterans  |
| First Car:               | A well-used Chevy four door pickup truck  |
| Inspiration:             | The Bible and books on the Bible  |
| Proudest Accomplishment: | Military Pilot and Intelligence Officer for 7 years   |
| Perfect Day:             | Water skiing with family on Lake Seed   |
| Favorite Movie:          | Saving Private Ryan   |
| Favorite Song:           | Slow the World Down by Eric Baker   |
| Favorite Singer:         | Can’t pick just one   |
| My Life:                 | Proud husband to a great wife and father of three awesome daughters and have to amazing son-in-laws |
| My Company:              | Southeast Business Advisors   |



Despite their name, small businesses loom largely in the United States. These businesses – defined here as those with 500 employees or fewer – account for 99.9% of U.S. firms, according to the Small Business Administration. While most of these 33 million firms don't have paid employees, about 6 million of them *do*. They account for just under half of total private sector employment (46%). 2025 will be a banner year for individuals starting business and for baby boomers selling their businesses. They are the backbone of the economy and now that interest rates appear to be coming down, reducing the cost of capital, we will continue to see interest from buyers and bankers in investing in these companies.

There is a constant stream of individuals who want to start or buy a small business. Most of these individuals are really “buying a job” because they want to buy a small “mom and pop” business and use that to make a living. Buying a small community business can be rewarding, but it is also risky. The smaller the business (in revenue and profit terms), the higher the risk in making that investment.

Here are some interesting statistics regarding small businesses in our country:

- There are 33,185,550 small businesses in the United States.
- Small businesses employ 61.7 million Americans, totaling 46.4% of private sector employees.
- Small businesses pay 39.4% percent of private sector payroll.
- Small businesses generate 32.6% percent of the known export value.
- 60% of small business owners started a business to be their own boss.
- Over 65% of small businesses are profitable, which means about 1/3 don't make any money!
- 64% of small businesses start their businesses with \$10,000.
- Small business **failure rates** show a concerning trend as time goes on. Each year, a higher percentage of businesses don't make it:

|                  |              |
|------------------|--------------|
| <b>1 Year:</b>   | <b>21.9%</b> |
| <b>3 Years:</b>  | <b>39.7%</b> |
| <b>10 Years:</b> | <b>65.7%</b> |

For smaller “Mom and Pop” businesses, the data regarding their sales remains relatively constant. In Q2 2024, BizBuySell analyzed 2,448 closed transactions in the

**Kerry Mann**



|                          |   |
|--------------------------|---|
| Childhood Ambition:      | Pro Athlete                             |
| Indulgence:              | Hot Wings/Pizza                         |
| Last Purchase:           | Double Cheeseburger                     |
| Most Unusual Gift:       | Sweatpants that I received at Christmas |
| My Hero:                 | Jesus Christ                            |
| First Car:               | 1973 Mercury Comet                      |
| Inspiration:             | Bible                                   |
| Proudest Accomplishment: | Being nominated by my wife for Elder    |
| Perfect Day:             | Sunny 65° day for a Braves parade       |
| Favorite Movie:          | Last of the Mohicans/Las Samurai        |
| Favorite Song:           | Comfortably Numb                        |
| Favorite Singer:         | Steve Perry                             |
| My Life:                 | Hanging with Family                     |
| My Company:              | Norton Property Management              |

United States. Businesses sold for the median sales price of \$375,000. On average, this is 0.92 of the asking price. These businesses had a median revenue of \$716,075 and a median cash flow of \$164,219. On average, business buyers paid 0.67 times revenue and 2.60 times cash flow.

In 2025, I do not expect to see a significant change to the multiples paid for small businesses with cash flow under \$500,000. However, as companies and private equity get more aggressive to deploy their investment capital in 2025 and beyond, they may be willing to increase the multiple they are willing to pay.

**Summary:**

The current market for business sales is strong. The lending environment for business financing is strong and Georgia has a great economic outlook. The larger the business, the more interest there tends to be because of the investment value to either competitive companies or strategic investors such as private equity firms. Business owners should start the conversation regarding the sale of their businesses anywhere from 2-4 years prior to their desired “retirement” date because it takes approximately 9-12 months to sell a business. Once it is sold, it is very common for the buyer to request that the owner stay on board for 6-24 months to ensure a smooth transition. This means that a seller is 24-36 months away from actual retirement when he or she starts the process.

Business sellers and buyers should ensure that they are represented during the process because there are a myriad of issues including real estate, legal documents, tax implications, inventory quality and hundreds of other items that need to be addressed. 2025 will be a strong year for business owners selling their Georgia companies as there will be a record number of companies and/or individuals seeking their next investment!

**Matt Slappey**, Partner Slappey, Inc.  
[matt@southeastbusinessadvisors.com](mailto:matt@southeastbusinessadvisors.com)  
[www.southeastbusinessadvisors.com](http://www.southeastbusinessadvisors.com)

# DISPARITY





# DISPARITY

In our research journey, we are continuously looking for various methods to better understand our local market dynamics, comparative analysis, and predictors for North Georgia inherent in that data. This Spring we had long discussions with one National housing expert who challenged us to look at Affordability using market-by-market Income Disparity. Simply put, take the median home price over time vs the median family income (over time) of a potential demographic segment.

The following charts do just that: the North Georgia region and then by individual counties within our market reach. We thank Jessica Knight, head of our research team, for her tireless hours to create these new market indicators.

The data **POPS**. It is clear that there is an ever-widening gap between Median Household Income (MHI) and the rapid escalation in Home Prices. For example, in Dawson in 2010 homes sold 3.5 times MHI vs 2024 selling 5.1 times. No wonder homes are becoming increasingly out of reach of the average American. Norton's own Ncredible Properties "ground zero" goal is to produce rental homes that target 2.5 - 3.5 times the median household income. Almost an impossibility in today's volatile construction market.



**Randy Gordy**

|                          |                                    |
|--------------------------|------------------------------------|
| Childhood Ambition:      | Be a cowboy                        |
| Last Purchase:           | Automobile                         |
| Most Unusual Gift:       | 2-Way Radio                        |
| My Hero:                 | My Dad                             |
| First Car:               | 1960 Rambler                       |
| Inspiration:             | The Bible                          |
| Proudest Accomplishment: | Buying a golf course               |
| Perfect Day:             | Playing in the park with grandbaby |
| Favorite Movie:          | ET                                 |
| Favorite Song:           | I'll Fly Away                      |
| Favorite Singer:         | Whitney Houston                    |
| My Life:                 | Proud Papa                         |
| My Company:              | Norton Commercial & Acreage Group  |

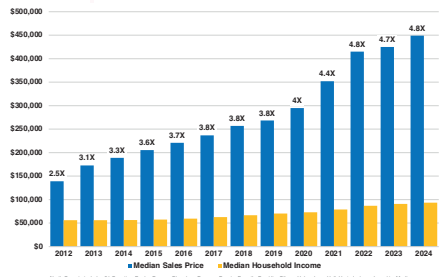


**Cindy Ballard**

|                          |                                     |
|--------------------------|-------------------------------------|
| Childhood Ambition:      | Actress/Singer                      |
| Indulgence:              | Spa Day                             |
| Last Purchase:           | Groceries...always buying groceries |
| Most Unusual Gift:       | Tires for my car                    |
| My Hero:                 | Jesus                               |
| First Car:               | Ford Pinto                          |
| Inspiration:             | The Serenity Prayer                 |
| Proudest Accomplishment: | My Children and grandchildren       |
| Perfect Day:             | Walking at the beach                |
| Favorite Movie:          | The Notebook                        |
| Favorite Song:           | Amazing Grace                       |
| Favorite Singer:         | Elvis Presley                       |
| My Life:                 | Busy – would love to slow down      |
| My Company:              | Norton Commercial & Acreage Group   |



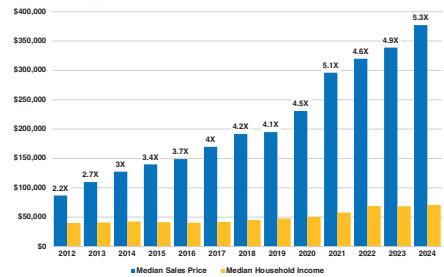
### NORTH GEORGIA HOME BUYING DISPARITY



North Georgia includes 21 counties: Bartow, Barrow, Cherokee, DeKalb, Forsyth, Franklin, Gwinnett, Habersham, Hall, Hart, Jackson, Lumpkin, Madison, Wilkes, Wilcox, Stephens, Towns, Union, Willetts & White. Data compiled by Native Intelligence using US Census, GIMIS, and FRED data.



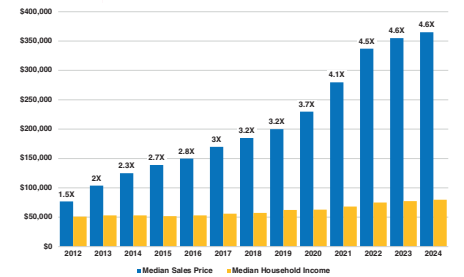
### BANKS COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



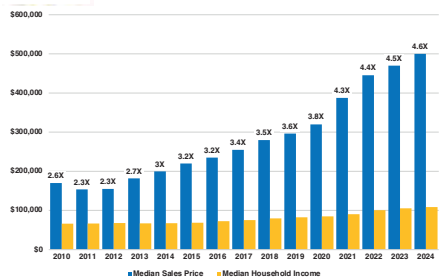
### BARROW COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



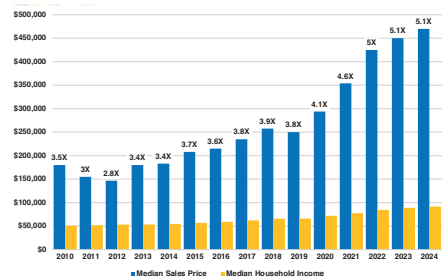
### CHEROKEE COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



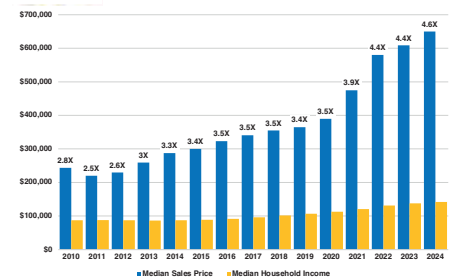
### DAWSON COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



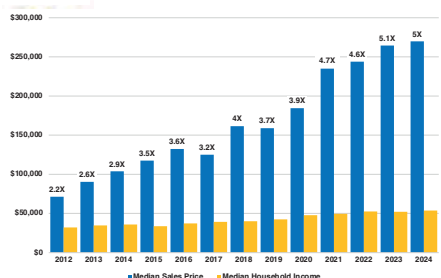
### FORSYTH COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



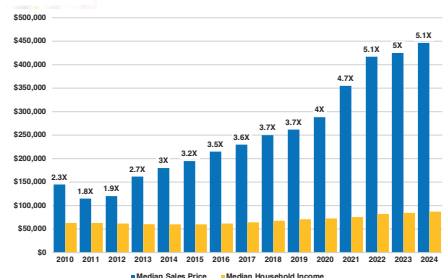
### FRANKLIN COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



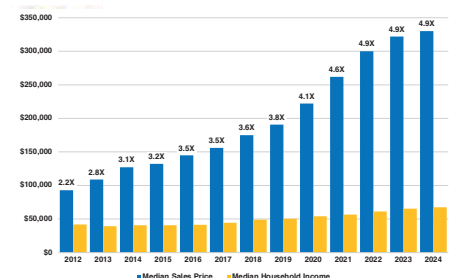
### GWINNETT COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



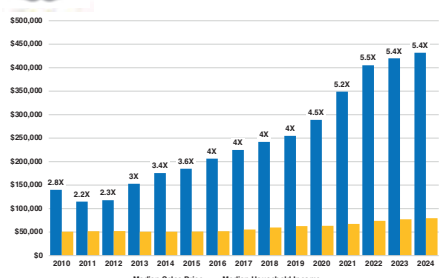
### HABERSHAM COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



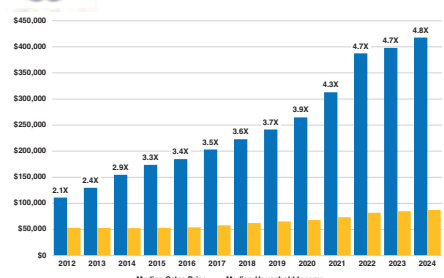
### HALL COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



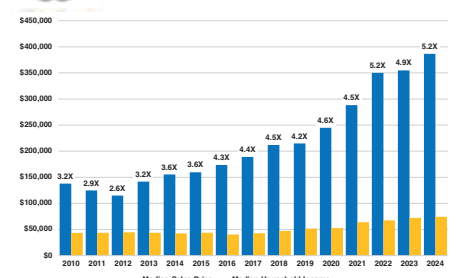
### JACKSON COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



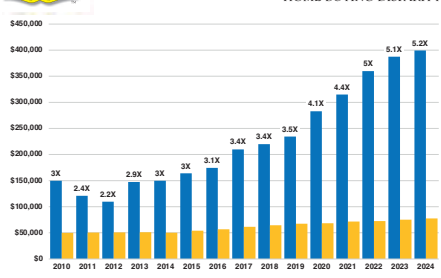
### LUMPKIN COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



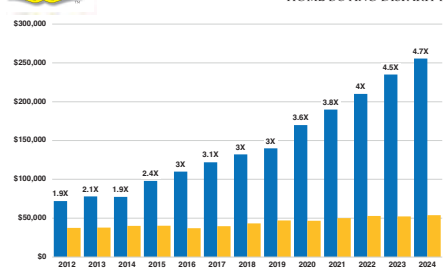
### PICKENS COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey



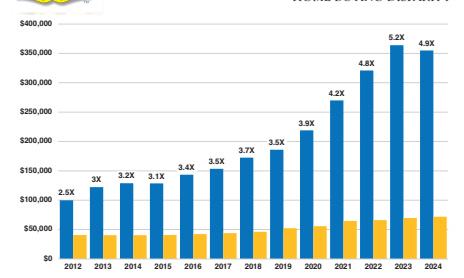
### STEPHENS COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey

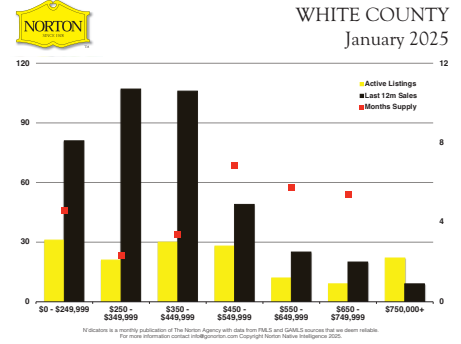
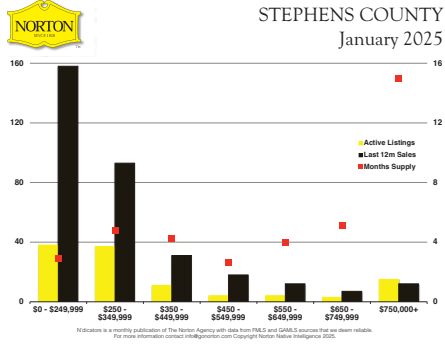
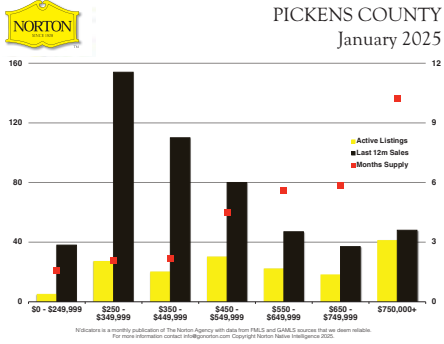
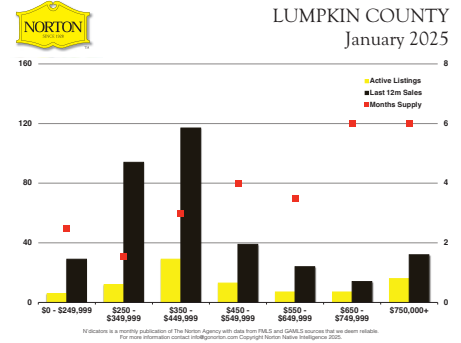
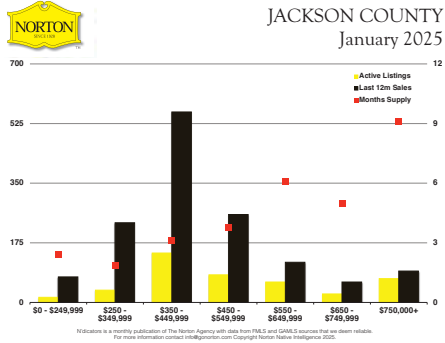
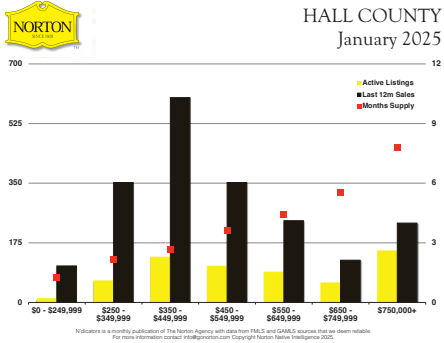
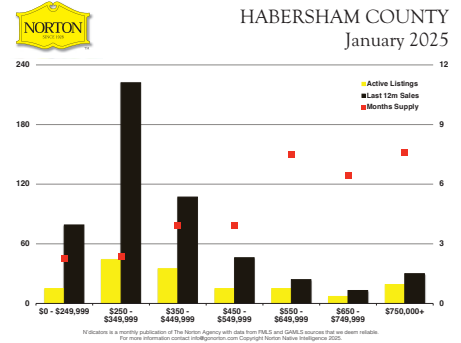
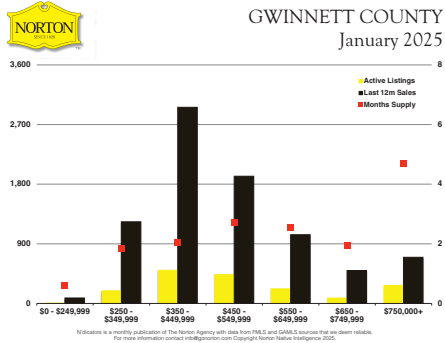
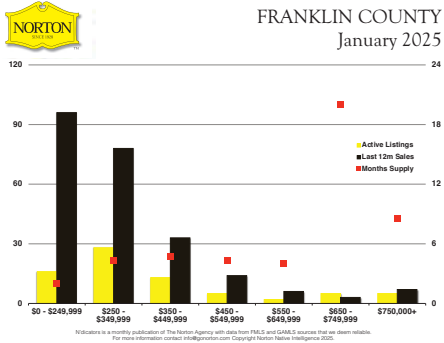
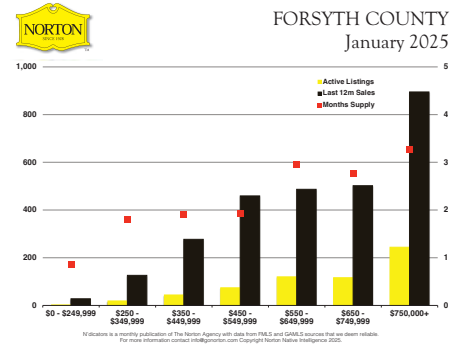
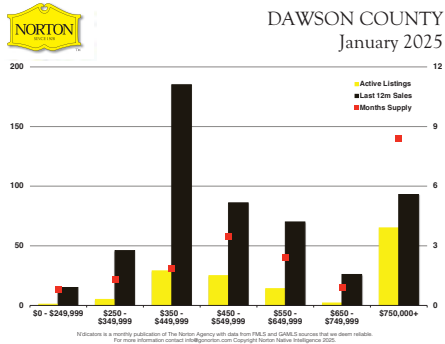
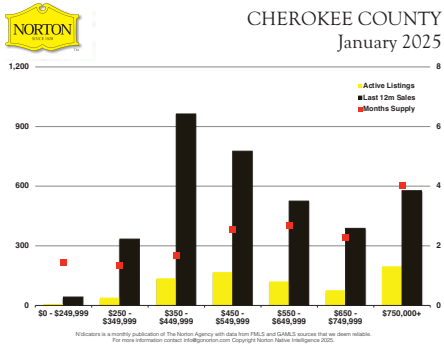
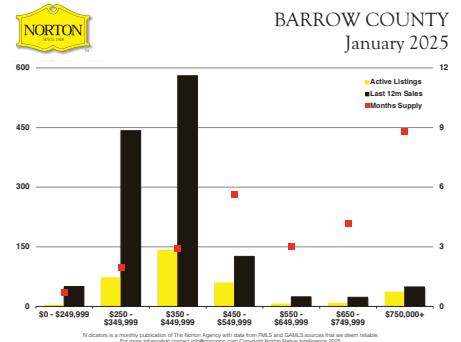
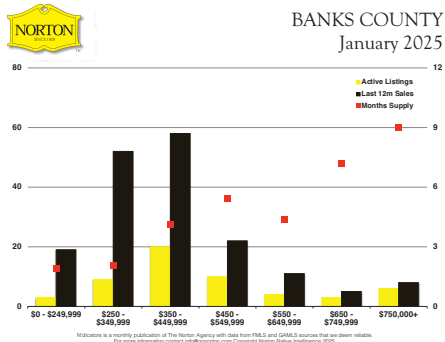
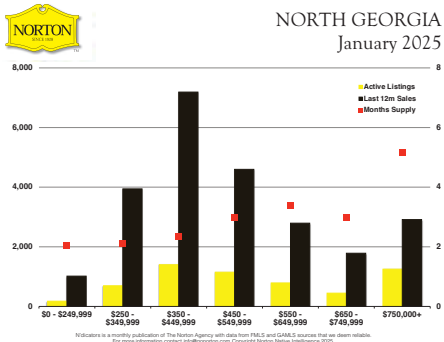


### WHITE COUNTY HOME BUYING DISPARITY



Data Source: FRED/American Community Survey





# FUN FACTS

## LEAD INDICATORS NORTH GEORGIA

| COMPONATE                | DECEMBER<br>2024 | DECEMBER<br>2012 | NORMAL      |
|--------------------------|------------------|------------------|-------------|
| Single Family Resale     | 3.5 Mo           | 8.3 Est          | 6 Mo        |
| Single Family- New       | 2.5 Mo           | 5.2 Est          | 6 Mo        |
| Single Family- Rental    | 2.2% Vac         | 8%               | 1%          |
| Multi-Family             | 3.5% Vac         | 15               | 5%          |
| Retail                   | 4% Vac           | 5.2              | 4%          |
| Industrial               | 1.9% Vac         | 6.2              | 4%          |
| Office                   | 5% Vac           | 6.7              | 4%          |
| Medical                  | .5% Vac          | 3.5              | 4%          |
| Interest Rate 30 Yr Mo   | 6.93%            | 3.35             | 5.0%        |
| Interest Rate Prime Rate | 7.5%             | 3.25             | 5.5%        |
| CPI 12 Month Average     | 3.0%             | 2.4              | 3.5%        |
| Unemployment             | 2.6%             | 9.2&             | 6%          |
| <b>INDICATOR TOTAL</b>   | <b>43.43</b>     | <b>62.8</b>      | <b>55.5</b> |

The market continues to perform better than normal.

## HOW MUCH HOME CAN YOU AFFORD? JANUARY 2025

- \$55K Combined Salary - \$235K Home Price
- \$76K Combined Salary - \$375K Home Price
- \$110K Combined Salary - \$607K Home Price
- \$145K Combined Salary - \$835K Home Price
- \$180K Combined Salary - \$1 Million Home Price
- \$215K Combined Salary - \$1.24 Million Home Price
- \$250K Combined Salary - \$1.445 Million Home Price

Does not include any additional monthly debt or taxes/insurance – only principal and interest

All are using a 20% down payment and debt to income of 41%.

Assuming 700+ credit score.

Rate of 6.75% and a 30 year term.

Source: Joy James, Guaranty Mortgage

## 2024-2025 INFORMATION SOURCES

- Norton Native Intelligence™
- US Census
- First MLS
- GA MLS
- Metrostudy
- Georgia State University Economics Forecasting Center
- National Association of Realtors (NAR)
- The Beasley Report
- John Burns Consulting







Norton Commercial  
& Acreage Group

# N'STANT INFO

Hyperlinks to County by County data  
(updated monthly)



2025 FORECAST  
PDF & VIDEO



BANKS



BARROW



CHEROKEE



DAWSON



FORSYTH



FRANKLIN



GWINNETT



HABERSHAM



HALL



JACKSON



LUMPKIN



PICKENS



RABUN



STEPHENS



WALTON



WHITE

