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Self-Storage Development and Construction: Avoid These Mistakes

Presented by
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Ready, Fire, Aim

- Large sums of money can be lost or made in design and construction.
- Don't go it alone.
 - Civil engineer
 - Mechanical/electrical engineer
 - Architect (multi-story, office)
 - Experienced building manufacturer
- \$50,000 well-spent pre-construction = \$50,000 construction savings
- \$50,000 design improvements = priceless



Good News – Easy as 1-2-3-4

1. Cut the trees.
2. Drink wine.
3. Work.
4. Fish.



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Self Storage Is Booming Again?

- Self-storage new construction:

- 2007 \$1.2B
- 2011 \$240M
- 2014 \$580M



- Lack of contractors = delays and poor construction

- Construction schedule is critical!

- Order building early.
- Plan on delays when scheduling contractors.
- Inexperienced self-storage erectors often charge more.

You **MUST** be involved in the design and construction! It takes time.



Site Design Features

- Avoid 20-foot wide building
- 30-foot wide buildings – two-sided access
– bread and butter for single-story
- Use building increments of 10 feet
- Payment dropbox
- LED lighting – no choice
- Vehicle gate trip wire under pavement
requires owner coordination



Site Design Features

- Walk-through gate – easy and fast!
- Buy your propane tanks vs. renting
 - Flotation design
- Access gate
 - Need space to open gate
 - Pave under gate if practicable
- Bollards a must
 - Size, location, color
 - Foundation
 - Total count
 - Steel, concrete filled



Site Design Features

- Chain-link fence perimeter and decorative along road frontage
- Vacuum for more sales
- Keypad alignment
 - Match gate opening to one foot wider
 - Pad doesn't block unit
 - Wireless options
- Use climate-control building with no doors toward property line were there's a residential neighbor to lessen impact or buffer required



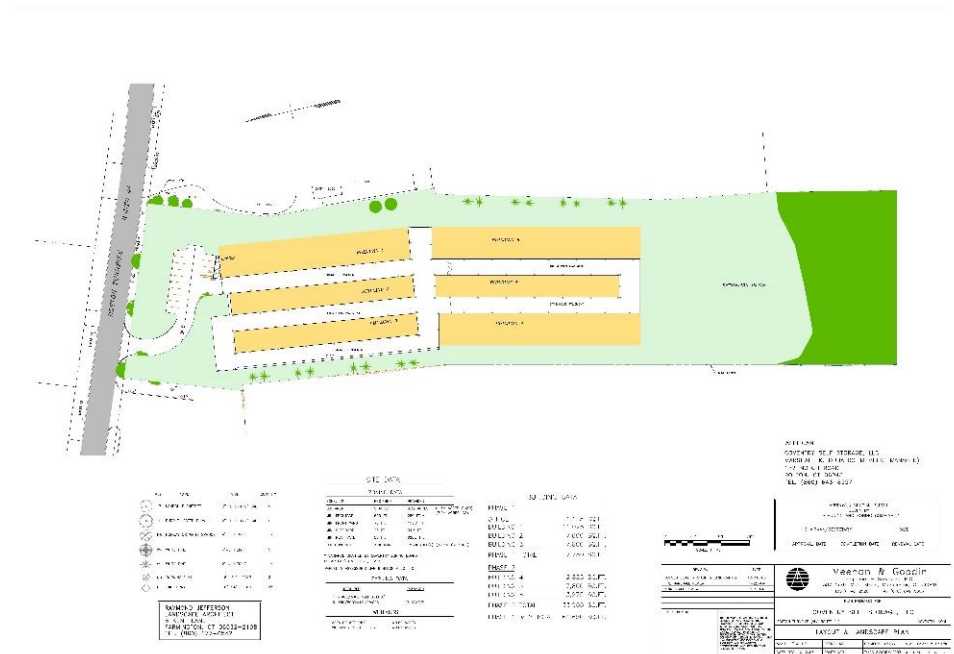
Snow

- Snow removal
 - No curb where pushing snow at ends of long runs
 - No building gutters
 - Fence 30-feet-plus off pavement
 - Flat roof OK
 - Budget for snow
- HVAC
 - Exhaust above snow level
 - Shut off box above snow level
- Protect electrical meter



Land Basics

- 15,000 plus cars per day minimum, 20,000-plus recommended
- Single-story – 4 to 5 acres usable acres – 50,000-square-foot facility
- Multi-story – 2+ acres
- Land minefields
 - Wetlands
 - Steep topography
 - Easements
 - Strict zoning requirements
 - Neighbors who don't understand self-storage



Units

- Place 10-by-20 and larger units for vehicle storage on the outside of the project or outside the climate-controlled units
- Show units – one of each near office
- Plan your units with power/lights – near office

Suggestions:

- Provide 9-foot-wide doors vs. 8-foot, 8-inch door openings
- Provide 9-foot, 4-inch vs. 8-foot, 4-inch building eave heights
- No lights in units
- No power in units



Unit Sizes

- Climate control vs. regular units
 - Always have both for maximum profit
 - Based on location – do the research
 - Rural Northeast – 15% climate control
- University impact – smaller units
 - Be careful – 3- to 4-month rentals
- 5-by-5-by-5 climate-control lockers and 5-by-15 units
 - Profit centers often overlooked
- Phase 2 based on Phase 1 rent-up

Unit Size	Quantity
5 x 5 x 4	6
5 x 5	8
5 x 10	14
5 x 15	6
10 x 10	22
10 x 15	20
10 x 20	20
10 x 25	2
10 x 30	2



Driveway Design

- Building to building – industry standard is 24 feet, but **check zoning and fire codes!**
- 30-foot-wide driveway entrance – just feels right
- 25- to 45-foot driveway-entrance radius
- 40 feet end of building – engineer to confirm
- Fire truck and vehicle turning
- Two courses of pavement – specify pavement type
- Concrete sidewalk at entrance



Landscaping

- Provides the “just feels right” feeling
- Marketing dollars well spent
- Drive-by and drive-in impression critical
- Ladies rent – they notice landscaping!
- Have a yearly budget for landscaping
- You can talk to your potential clients about price or landscaping!



Office

- Fun and bright or professional office look
- Office access from outside fence in area
- 1000 to 1,200+ square feet
- Large windows
- Two 30-inch video-display screens!
- Large retail-display area
- Disc locks only – 8-foot wall display
- Small, medium and large boxes



Modern Facility Design

- You're not in the self-storage or retail business ... You're in the fashion business!
- Kiosk for after hour renting/profits
- Gate access from your phone
- You're in the business of surprising and delighting your customers!



Foundation

- Double entrance lip – remove 2-by-10 same day of pour
- Saw-cut foundation and seal no later than the morning after pour
- Remind site designer and contractor foundation 2 inches greater than the building
- Floating slab gravel base four to 12 inches or more – requires analysis
- Check final gravel base tolerance – before forms and before concrete
- Check forms are level before pour



Contract Specifications

- Detailed plans and written specifications are a must!
- Plans only or poor specs = cost overruns!
- Each and every item must be specified (lights, gravel, topsoil, concrete, cameras, colors, bathroom fixtures, permit fees, lawn watering, pavement type, testing requirements, unit costs for extra)

Example: For concrete foundation, you must specify size, soil-bearing capacity, concrete strength, rebar, wire mesh, single pour, curing/sealing agent, saw cuts, 2-by-10 lip blocking removed same day, cubic yards allowance, exclusions

Specifications are boring, but **YOU must read them!**



Bank

- Ask for more than you need!
- Include land, design, permits construction, office buildout, office and site supplies/tools, legal fees, bank fees, first product order, 15% contingency caring cost, property tax (\$20-60K) and the kitchen sink
- Detailed bank business plan
- Lots of pictures for great first impression
- Ask for 18 months interest only
- Don't accept prepayment fee = bank's cost – can be more than \$100K



Rent During Construction

- Sign – “Now Renting”
- Phone number
- Website
- Management program
- Phone script
 - First confirm size and date needed
 - Give price
 - *“If you have a credit card, we can get a unit in your name.”*
 - No script = very limited rental prior to opening



Grand Opening

- Rent, rent, rent!
- Make it a party.
- Make it a cookout.
- Have a fire truck.
- Invite Ronald.
- One and only postcard mailing



Contact the Presenter



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