

The Critical Eye: Mastering Physical Inspections for Storage Facility Acquisitions

In the bustling world of real estate investments, storage facilities have emerged as a lucrative niche. However, as with any significant purchase, the devil is in the details. A thorough physical inspection can mean the difference between a goldmine and a money pit. Let's dive into the world of storage facility inspections and uncover the secrets that savvy buyers need to know.



The Foundation of Smart Investments

Imagine walking into a potential storage facility purchase, your heart racing with excitement at the prospect of your new business venture. The rows of units stretch before you, promising steady income and growth. But beneath the surface, hidden issues could be lurking, waiting to drain your resources and crush your dreams.

This is where the power of a comprehensive physical inspection comes into play.

"An ounce of prevention is worth a pound of cure." - Benjamin Franklin

These words ring especially true in the world of storage facility acquisitions. Let's break down the key aspects that every inspection should cover:

1. Structural Integrity: The Backbone of Your Investment

When assessing a storage facility, the structural integrity is paramount. Look for:

- **Foundation issues:** Cracks, settling, or water intrusion
- **Roof condition:** Age, leaks, and overall structural soundness
- **Wall stability:** Signs of bowing, cracking, or water damage



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Why AZCOM?

We specialize in land assemblies, JV structures, acquisitions and dispositions, as well as project developments and storage facility businesses. AZCOM Commercial Real Estate Brokerage Inc. is more than just a brokerage — *we are your trusted advisors in the evolving landscape of commercial real estate.* With a commitment to excellence and deep industry expertise, we provide the insights and strategies necessary to help you make informed, confident investment decisions.

Pro Tip: Don't just trust your eyes. Bring in a structural engineer for a professional assessment, especially for older facilities.

2. Security Features: Protecting Your Assets and Customers

In today's world, security is a top concern for storage unit renters. Your inspection should include:

- **Access control systems:** Are they up-to-date and functioning?
- **Surveillance equipment:** Coverage areas and technology used
- **Lighting:** Adequate illumination in all areas
- **Fencing and gates:** Condition and effectiveness

3. Environmental Conditions: The Silent Threat

Environmental factors can make or break a storage facility. Pay close attention to:

- **Climate control systems:** Functionality and efficiency
- **Humidity levels:** Especially crucial in areas prone to mold growth
- **Pest control measures:** Evidence of current or past infestations
- **Drainage systems:** Proper water management to prevent flooding

4. Regulatory Compliance: Staying on the Right Side of the Law

Ensuring your potential purchase is up to code is crucial. Check for:

- **Fire safety systems:** Sprinklers, alarms, and extinguishers
- **ADA compliance:** Accessibility features for disabled customers
- **Zoning regulations:** Confirm the facility meets local zoning laws
- **Environmental compliance:** Proper handling of hazardous materials

5. Maintenance History: A Window into the Future

A facility's past can tell you a lot about its future. Request and review:

- **Maintenance logs:** Regular upkeep and repairs
- **Capital improvement records:** Major upgrades or renovations
- **Inspection reports:** Previous professional assessments



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The Inspector's Toolkit: Methods and Technologies

Now that we know what to look for, let's explore how to conduct these critical inspections effectively.

Visual Assessments: The First Line of Defense

Nothing beats a keen eye and attention to detail. Walk through the facility, noting:

- Visible damage or wear
- Cleanliness and overall appearance
- Customer amenities and their condition

Moisture Meters: Uncovering Hidden Water Issues

Water damage can be catastrophic. Use moisture meters to:

- Check walls and floors for hidden moisture
- Identify potential leak sources
- Assess the effectiveness of waterproofing measures

Thermal Imaging: Seeing Beyond the Surface

Infrared cameras can reveal:

- Heat loss in climate-controlled units
- Electrical hotspots indicating potential fire hazards
- Hidden moisture issues not visible to the naked eye

Drone Inspections: A Bird's Eye View

For larger facilities, drones can provide:

- Comprehensive roof inspections
- Overview of the property's layout and condition
- Identification of hard-to-reach areas needing attention

Checklists: Ensuring Nothing is Overlooked

Develop a comprehensive checklist covering all aspects of the inspection. This ensures:

- Consistency across multiple property assessments
- No critical areas are forgotten
- Easy comparison between different facilities



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Red Flags: Common Issues to Watch For

During your inspection, be on high alert for these critical problems:

1. **Water Damage:** The silent destroyer
 - Look for stains, warping, and musty odors
 - Check ceilings, walls, and floors thoroughly
2. **Pest Infestations:** Unwanted tenants
 - Search for droppings, nests, and gnaw marks
 - Pay special attention to dark, undisturbed areas
3. **Electrical Problems:** Potential fire hazards
 - Inspect wiring, outlets, and circuit breakers
 - Look for signs of overheating or improper installations
4. **Access Control Weaknesses:** Security vulnerabilities
 - Test all access points and security systems
 - Ensure surveillance covers all critical areas
5. **Zoning Violations:** Legal nightmares waiting to happen
 - Review local zoning laws and regulations
 - Confirm all additions or modifications are properly permitted

Tailored Advice for Different Buyers

For First-Time Storage Facility Buyers

- Don't be afraid to ask questions
- Bring in experts to supplement your knowledge
- Take your time; rushing can lead to costly mistakes

For Experienced Real Estate Investors

- Look beyond the numbers; physical condition impacts long-term value
- Consider how the facility fits into your portfolio strategy
- Assess potential for value-add improvements

For Property Management Companies

- Focus on operational efficiency and maintainability
- Evaluate staffing needs based on facility layout and features
- Consider how the facility aligns with your management systems



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For Self-Storage Business Owners

- Assess how the facility complements your existing locations
- Look for opportunities to implement your successful strategies
- Consider the local market and how this facility fits your brand

The Bottom Line: Invest in Knowledge

As we've seen, a thorough physical inspection is not just a formality—it's a crucial step in making a sound investment decision. By understanding what to look for and how to look for it, you're arming yourself with the knowledge to make informed choices.

Remember, every storage facility tells a story. Your job as a potential buyer is to read between the lines, decode the clues, and uncover the truth about its condition and potential.

So, before you sign on the dotted line, take a deep breath, put on your inspector's hat, and dive into the details. Your future self (and your bank account) will thank you for it.

By approaching your storage facility purchase with a critical eye and a thorough inspection process, you're not just buying a property—you're investing in peace of mind and future success. Happy hunting!

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YOUR SUCCESS MATTERS TO US!

If you are interested in buying or selling a storage facility business or exploring the possibility of developing one email the undersigned directly today without any obligations to discuss further:

Jennifer Azzopardi

Dip. M.; A.C.I.I.
Broker of Record
Managing Director

AZCOM Commercial Real Estate Brokerage Inc.
1432 Mayors Manor, Oakville Ontario L6M 3A6 Canada
Tel: (905) 847 1271 | Fax: (905)847 7693
Website: www.azcomcommercial.com
Email: jennifer@azcomcommercial.com



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AZCOM Storage Insights

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