The self-storage industry is growing up—literally. The construction rate is staggering. The demand for in-town property continues to grow, yet land is at a premium. So it’s no wonder storage developers are fully embracing the concept of multi-story facilities in major metropolitan areas.

Multi-story developers J.L. “Chip” Mack III and Barry McWhirter of McWhirter Realty Partners are no beginners when it comes to this issue. Based in Atlanta, the dynamic duo has been building storage facilities since the early ‘90s. Other than two single-story projects, they have focused exclusively on multi-level properties. “Our locations are in dense-population, high-income areas and generally range from 1.5 to 3 acres,” says Mack. “Because the land is so expensive, we must build up.”

Building multiple stories means lower land costs, but there are a host of other planning and budgeting factors to consider. As with any new construction, you’ll want to completely review your demographics, surroundings and zoning ordinances to determine the feasibility of the project.

Height Restrictions

For new construction, building codes may dictate how high you can build. “You want to end up with a minimum of 40,000 net rentable square feet, although 50,000-80,000 would be better,” according to Mack. “Once the height restrictions are known, you can calculate how large each floor should be to allow you to achieve your desired net-rentable square footage.”

Auxiliary Requirements

The McWhirter team has found multi-story facilities also cost more to build from a materials perspective. Elevators and stairs as well as structural, electrical, mechanical and fire-safety systems all increase your investment. “For a four-story, climate-controlled building, the cost is between $36 and $40 per gross square foot,” Mack says.

The elevator is an essential part of the design. McWhirter puts two ample elevators in each building. The cab is approximately 5.5 feet wide by 8 feet deep and can hold 4,500 pounds, so it’s more than prepared to handle oversized items. For easy access, the elevators are inside the loading lobby, approximately 20 feet from the exterior door.

SpaceMax Storage in Atlanta has installed a substantial elevator to its six-story facility. “We have a diverse group of renters, and we have no problem with their items fitting in our elevator,” says General Manager Wilson Covington. Aluminum diamond-plate wainscoting has been added to the surrounding areas to keep scuffing and damage to a minimum. Diamond plate in the elevator itself provides more appeal and durability than fabric padding.

Safety is essential, but it doesn’t come cheaply. “A multistory building requires a sprinkler system, fire-exit stairs, proper exiting corridors, firemen’s access and central fire-alarm stations,” Mack points out. “Depending on the design of the building, the structure should also be fireproof, which is expensive. Add in your surveillance equipment, and your investment has grown substantially.”

Building Design

Many storage owners find they can offer ground-level spaces at a premium, and often place larger units on the first floor. Once tenants are on the elevator, it doesn’t matter if they go to the second or fourth floor, according
to Mack; but ground-level units can rent for as much as 10 percent higher than their upper counterparts, so unit mix becomes extremely important.

Jim LaBonte of Tropical Storage in Miramar, Fla., finds most of his commercial clients require larger spaces and want to be on the first floor, regardless of the up-charge. Therefore, all ground-level units are 10 by 30 feet or larger.

Also bear in mind that with each story comes a certain amount of unrentable yet required space. Room for overhead piping and sprinkler-system clearance is necessary, as are mechanical rooms for elevator service shafts. Stairwells and more hallways also dip into your square footage, leaving net-usable space at around 72 percent to 75 percent.

**Alternatives for Additional Space**

Multi-story facilities are not just for new construction. Consider the conversion of an existing building in a strong metro area. An experienced door and hallway provider can construct full or partial mezzanines as long as you have a minimum eave height of 18 feet. The company will install metal decking structures, which are then finished in vinyl-coated, fire-retardant, 3/4-inch plywood or concrete to create the floor. Additional columns or load-bearing walls are required to make the mezzanine structurally sound.

This type of system is considered a pre-engineered structure and can use existing lighting and HVAC, which will minimize your operating costs. Wyckoff Self Storage in Ridgewood, N.Y., has a multi-level mezzanine system, and no one would suspect a floor was built where none previously existed.

**Multi-Story Perception**

The ultimate test for a multi-story project is how well it is received by storage customers. Many facility managers have learned that upper stories and the need for an elevator are not deterrents to business. In fact, Covington says the “office building” appearance of his facility has been an attraction.

“People visit our site, and they feel like they’re in a protected office environment,” he says. “The building is self-contained, and we can see everyone who comes into the building. The units are easy to get to, and our renters feel safe here. Being a multi-story facility has been a real plus for us.”

Mack echoes the sentiment: “The tenant understands that the distance to his unit is not any further if he is on the first floor or an upper floor. It just entails an elevator ride.” Again, a lower rental rate on upper units helps tenants lean toward higher floors.

Multi-story facilities are a cost-effective solution to growing land costs and space restrictions. While there are additional expenses, the offset to land prices is well worth the investment. By building where the demand is, you should see more than just your facility going up!

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