

# INDUSTRIAL REAL ESTATE & DISTRIBUTION CENTERS

By Gregory C. Newell, PE, Nave Newell, Inc.

## Industrial redevelopment: Due diligence checklist

The demand for industrial distribution and warehouse space is increasing with no signs of slowing down. Recent circumstances, have fueled the need for even more space to maintain a strong supply chain close to cities and suburbs. Needless to say, this market is booming, especially the demand for last-mile properties.



Gregory Newell

The only thing holding back

industrial development is the availability of prime sites. Large, flat, empty sites, with access to utilities and major transportation interchanges, are hard, if not impossible to find. Instead, real estate developers and investors are left with less desirable options. These sites may have existing structures and take creative thinking to make them feasible. Most importantly, redevelopment sites need a thorough due diligence assessment.

### What to Assess During Due Diligence

A due diligence assessment will summarize assets and

deficiencies to help you decide if the site is right for you. A land planner and civil engineer can help evaluate your critical path, as well as any risks or challenges you could face during land development. They can also draft a potential schedule and budget to aid in the site selection process.

Before moving beyond due diligence, you should engage a land development expert to help you answer the following questions:

- **What are the site characteristics?**
  - Define the project scope and identify potential risks.

- Get an ALTA survey to ensure a clear title, and to understand boundaries, encroachments, zoning information, and the flood zone designation.

- Want to take it a step further? Add an aerial produced by a UAV/drone for a detailed visual of the site.

- Check for site contamination, floodplain issues, the presence of karst topography/sinkholes, and endangered species – anything that may increase your exposure.

- **What is the potential site yield?**

- Review codes to find out if your use is permitted. If it's

not, look at creative uses that fit within the existing zoning, or find out what zoning is needed.

- Determine the maximum square footage allowed onsite.

- Understand parking and circulation limitations for loading docks and fueling stations to decide if there is a need for expansions or upgrades.

- Identify environmental site features that may limit your building envelope.

- **What permits and approvals are required?**

- Remember, if you need zoning relief that will add time to the approval process – time and money you may not have.

- Understand your project's permitting needs. Each municipality has a unique land development approval process. You need to know what approvals are required and when. There are also 3rd party approvals such as DEP and DOT.

- Look closer at the project scope to know the critical path to secure permits and approvals and how long it will take.

- **How does this impact the budget?**

- Take everything above into consideration to make sure you have enough money in your budget and plan for all contingencies.

- Don't forget about potential on and offsite improvements that are often significant hidden expenses.

- Reach out to agencies to determine if improvements may be required for nearby utilities and roadways.

- Talk to your engineer to better understand costly onsite improvements like grading/earthwork and stormwater management.

If you have selected a site that meets your targeted yield and you have an understanding of time and cost, you're ready to move forward. During due diligence, each of the items listed above should carefully be evaluated because they can make or break a development deal.

### Benefits of Redevelopment

While there is a lot to evaluate before moving forward with a redevelopment project, there are also many benefits. Redevelopment is often welcomed by the local officials and the community. So, instead of spending a year or two in the zoning process, redevelop an industrial or warehouse prop-

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# INDUSTRIAL REAL ESTATE & DISTRIBUTION CENTERS

By Richard Gacek, Gacek Design Group

## Design Trends for Today's Interior

The year 2020 has blurred the lines of our home and work environments. How we function at home takes on a new meaning and the open floor plan that we have grown to enjoy may not be the most functional in today's environment. The time spent at home has given us the opportunity to evaluate our current interior spaces and adapt them based on new needs. Here are some thoughts and design trends that are coming to the forefront.



**Richard Gacek**

The past few months, we've realized the need for privacy in an open floor plan. We're back to requiring an area of the home where a video-conference can be conducted, or an article can be written. A dedicated office space to help reduce distractions in the home and optimize productivity. This is

antimicrobial properties woven into fabrics. Also popular are Voice Controlled devices to avoid the need for touching elevator buttons in your building, the doorknob in your home, the TV remote or light switches.

**The Home Office is Back.** The past few months, we've realized the need for privacy in an open floor plan. We're back to requiring an area of the home where a video-conference can be conducted, or an article can be written. A dedicated office space to help reduce distractions in the home and optimize productivity. This is

a home office design – creating an attractive, minimal space with no clutter. One that is functional, has a comfortable ergonomic chair, includes a high speed network and lots of storage. And don't forget to add a live plant.

**The Need for New Spaces.** With an overall increase in online shopping, in addition to the lockdown situation, we've experienced the need to accommodate Package Delivery. An accessible space for delivery and drop-off of items, where they can be stored away to avoid being stolen. As drone deliveries become more preva-

lent, this is also something that needs to be addressed in the design. Just as important is the need to store bulk good storage, non-perishables and frozen foods into smaller built-ins or pantry spaces in the home. Wine and beer storage will become a more common kitchen feature moving forward. Another new space is the Isolation Room. What once was called a bonus room or it could be a guest room, the isolation room allows someone who needs to be quarantined, with a fully functioning environment, while remaining isolated from others.

**Social Connectivity.** Now more than ever we are impacted by lack of social interaction. Some of my favorite social media stories have been those where people have gone to their balconies, instruments in hand, playing and singing with their neighbors. Not only does this form of social connection drive well-being, it is a necessity. A trend toward the addition of front porches and balcony spaces accommodates this experience as well as social distancing.

**Richard Gacek is the principal designer of Gacek Design Group. ■**

## Design Trends



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erty to suit your needs. Sites with existing infrastructure, where your use is permitted, is a great place to start.

Smaller, last-mile redevelopments are much more common these days. They're not making any more land, so you have to get creative and work with what you have. Remember, each property brings unique opportunities and challenges. That's where your land planner and civil engineer can help.

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