

# Developers Delve Into Storage Condos

Boat & RV owners buy their units

By Caesar Wright

*The demand for boat and RV storage is on the rise and rents are getting higher in some areas. A growing trend is to sell actual ownership of RV units, marketing them as storage condominiums.*

What exactly is a storage condo? The concept is simple—it's a straight real estate transaction, and the same rules apply. Developers sell people units. The owners of the storage condos may then rent or sell their units, and must pay monthly association dues.

In Arizona, developers are selling the units for \$82 per square foot with annual dues totaling \$220 per year.

The size of boat- and RV-storage condominiums varies. The most common is a 14-by-40 unit. In lieu of a standard commercial door, most facilities choose a sectional model that is 12-feet wide and 14-feet high. This gives the condos the look of a residential garage door, with an electric operator as an option.

Ron DeAvilla, owner and operator of Arizona's Lakefront Storage, a recently completed 269-unit facility, prefers to equip each unit with 15-amp power and three 8-foot fluorescent lights. On some of his larger units, he will pre-pipe for 60-amp power. If the unit owner elects to utilize the 60-amp option, it will be metered separately and the client billed monthly.

## Sale or Rent

There are a couple of major differences between renting and owning a unit. Darryl Eghoetz, owner and operator of Desert Storage in Arizona, has a facility in which he rents *and* sells the units. He prefers to *rent* his units only to boat and RV owners and not make them available for household goods.



Eghoetz, who has owned other facilities in the past, has his reasons. He's noticed people wash their boats and motor homes inside the units, and water tends to get under the bottom of the partition panel, running into neighboring units and causing damage to personal belongings.

However, when it comes to the sale of a unit, it makes no difference to Eghoetz who his clientele is. Owners can be RV enthusiasts parking their Winnebagos or contractors storing warehouse inventory.

Once he sells a unit as a condo, the owner is responsible and liable for his own property.

The freedom of selling units frees facility owners from the role of landlord; rentals means dealing with collection of rents and fees, maintenance items and other ongoing duties.

Incidentally, it's important to note that most storage-condo regulations include a clause restricting owners from running businesses out of their units.



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### Home Sweet Condo

If you look at the improvements people make to boat and RV condominiums after purchase, you'll notice a pride of ownership. They definitely see their unit as an extension of their homes. It's not uncommon for owners to drywall and paint the inside, epoxy the floor and—if it's an end unit—drop in a main door and a couple of windows.

Some even try to climate-control the unit. They'll install roof and wall insulation and maybe an insulated sectional door, and mount a swamp cooler or air conditioner on the roof. Obviously, this can be expensive. It's important for the developer to perform proper due diligence on the front end of the project to avoid additional construction costs.

Financing these units can be tricky. Most banks aren't familiar with boat- and RV-storage condominiums. Typically, banks require 20 percent down and then monthly payments. The term of the loan can be set up over 10 years at approximately an 8 percent interest rate with no prepayment penalty.

Who ever thought you could actually own a storage unit? Boat- and RV-storage condominiums have already proven successful for many developers, and in my opinion, they are here to stay. **ISS**

*Caesar Wright is president of Mako Steel Inc., which designs, supplies and installs steel buildings for the self-storage industry, including boat/RV storage, multistory and custom buildings. Mr. Wright has been in the steel business for his entire career and is respected in the industry for his ability to manage, negotiate and succeed without compromising his integrity or sense of humor. When not ruling his business empire with an iron fist, he can be found on the river, at the golf course or following his beloved Pittsburgh Steelers. For more information, call 800-383-4932 or visit [www.makosteel.com](http://www.makosteel.com).*