


# RAISE THE ROOF

BY STEVE BERGSMAN

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When it comes to physically raising the roofs on industrial buildings, reality and reason go in different directions.

## WHAT DO WE MEAN BY THAT?

First, intuition and common sense tells us that older warehouse and distribution buildings were generally built with clear heights, peaking at 20-feet. Since modern tenants demand more cubic feet, roofs are four to 12-feet higher on new product. One obvious solution is to make older buildings more suitable by raising the roofs. Traditionally, that rarely happens in the distribution sector. When a distributor wants a building with a greater height, it will generally move to a new location. The one differentiator is in big, congested, coastal cities where there is less and less attractive land available for new development.

As David Noonan, SIOR, broker with Lakota Commercial Realty in Cincinnati, observes, "It's happening more and more in gateway cities where there is scarcity of land near locations that are important. Whereas in the Midwest, there are a lot more greenfield sites so you don't see roof raising for distribution buildings quite so often. It is an expensive proposition to raise a roof and in gateway cities—where multistory warehouses are being built due to value and land scarcity—one can justify raising the roof."

On the manufacturing side, the opposite is true. Tenants are more inclined to raise the roof than move.

For example, an old-line manufacturing company has been smoothly operating for many years in a building, but now needs to upgrade and modernize equipment. The new assembly lines are higher than the old. In order to maintain supply contract schedules, the manufacturer doesn't want to shut down and move. Instead it will raise all—or



just part of—the roof to accommodate the new equipment. Hopefully, manufacturing continues uninterrupted while parts of the roof are lifted.

“We have encountered several situations where a company had a new style of equipment that came out and there was not enough headroom for it, so we raised a portion of the roof,” says Jeff Williams, CEO of JMW Williams Contractors, Atlanta. “We have done more of this than anything else, although we have taken one building and raised

the entire building up. Generally, however, we have this sectional bumping up because of a situation where you have this new equipment, model, or style. It’s something that would cause us to create more headroom above the equipment.”

He adds, when a company gets this new equipment, it doesn’t want to sell its old building and then have to move all assembly lines somewhere else. A manufacturer looks to retrofit so it can keep production going and not have to start from scratch at a new building.

Williams is fielding more inquiries about distribution facilities, but so far tenants end up not going through the process. Like a manufacturer, a distributor might have a new piece of equipment arrive that needs more vertical, but it can make do by just taking on additional space.

“Distributors can just lease while building a new facility,” says Williams. “On the manufacturing side, you don’t have those options. If you move the equipment to a temporary facility and then move it again, that will be a big cost.”



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More roof raising goes on that people never hear about due to manufacturing operations, which just raise a small area inside of a building, says Noonan. "You see a lot more of that than a whole building having a roof raised. Raising [a] roof on a large building is extremely expensive."

## THAT'S THE KEY POINT.

**A**rlon Brown, SIOR, a senior vice president for Parsons Commercial Group, Framingham, Mass., likes to tell this story: "One of my buddies—who bought a lot of buildings—had been telling me it costs \$4 to \$8 a square foot to raise a roof. Then I came across this situation where a client was selling a building in Cambridge and looking to move to another structure of 70,000 to 100,000 square feet. I found a building with a 16-foot clear. The client needed 20-foot clear, so I said, 'We can raise the roof; it's not going to be a big deal.' I hire a contractor, give him the plans and he does all the calculations. He came up with a price tag of \$40 a square foot. I said, 'What are you talking about' and he went through the numbers with me. The contractor covered a litany of items—from roof coverings to borings, insulations, steel frame, supports, beams, even sprinklers. It is just not as easy a process as everyone makes it out to be."

The end result: the company didn't make the move to that building as raising the roof was too expensive; it leased another structure.

Brown said he did know of one situation in the Boston area where a roof was raised. It was on a vacant manufacturing building acquired cheaply. The owners raised the roof to convert to a distribution building. They could do that because the structure was in a prime location and the delta on the rental made sense.

JMWilliams Contractors was working with a commercial bakery in Atlanta

that was going to move to accommodate a new production line, but realized the original location was better for distribution. JMWilliams ended up raising half of the roof of the old plant before the arrival of the new equipment.

To raise a roof, one needs to have accurate drawings of the original structure, knowledge of how deep the footers are, and know how appropriate it would be to add weight onto the existing walls. Raising the roof of some older buildings won't work because one might need to reinforce below ground to add more height. The project then gets far too expensive.

"The cost differential is primarily in the labor and the equipment required," says Williams. "If we have to raise the roof of an entire building, the cost between that and moving is not that great. We can make it work so that it is a little cheaper to raise the roof than build a new building, but one has to realize you can raise a roof in a shorter time frame than you can go out and build a new building from scratch. That time differential is money."

Bigger buildings are not more difficult since the whole roof isn't done at one time, usually in segments. Workers raising the roof on a 400,000 square foot plant would probably do 50,000 square feet a time.

As to the process, Williams says raising the roof is not all that technical. "You have to understand the process and the equipment that needs to be used. Once you get the components laid out, it is a fairly straightforward process," he maintains.

One other thing to be aware of is pre-existing roof condition.

"One way to cut costs is to make sure the roof has not been damaged by weather events such as hail, notes Bill Early,

SIOR, senior vice president of Hailsolve in Overland Park, Kan. "Hail damage is often overlooked and difficult to spot. Knowing the condition of the roof can be the difference between increasing cash flow or needlessly draining capital reserves."

**J**ust one final caution, raising only a part of a roof isn't always guaranteed to raise the value of the real estate. In fact, the building might end up being more difficult to sell. Still, from a utilitarian standpoint it is probably a better solution for a current manufacturing operation. ▽

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## MEET THE AUTHOR

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