



How can landlords provide the amenities when rent regulations financially restrict them? - by Jordan Goldman

March 24, 2020 - Spotlights

There's a clear paradox between the increasing tenant demand for more amenities within residential buildings, and New York's recently-passed Housing Stability & Tenant Protection Act of 2019. How can landlords provide the amenities when the rent regulations so financially restrict them? Landlords are so constrained that many cannot afford to offer tenants any amenities at all, let alone maintain their buildings with minimal services. And then they end up looking like the bad guy.

According to Multifamily Design & Construction's top ten amenities, storage facilities rank number three, after a lounge (number one) and a firepit/grill (number two), proving that storage facilities are a vital amenity.

Everyone, no matter at what income level, has "stuff" that they don't want to store even in the largest of apartments. Unquestionably, tenants renting or buying in newly-constructed buildings expect some type of storage facility somewhere within the property. But what about the plethora of existing rental buildings or coops that are not brand new? Or the ones that are, but simply don't have the means to provide storage?

Landlords are constantly looking for innovative ways to add value to their buildings and offer new amenities to tenants, while bringing income into their buildings. We came up with a formula years ago that works to benefit both tenants and landlords. We transform their often-forgotten basements into clean, well-lit and well-maintained storage facilities, literally an elevator ride away. Tenants get their much-needed on-site storage spaces right downstairs and landlords get to increase the value of their assets. We invoice tenants directly so that landlords don't have to do a thing, except sit back, relax and receive a 25% commission on each unit rented.

Driven by the perk of actually bringing in revenue without any administrative work, landlords are calling us to vet their basements and transform part or all of them into beautiful mini-storage rooms complete with crisp-white painted walls and ceilings, fresh grey floors and shiny corrugated steel storage units. Lighting is an integral part of our process, so all of our facilities are flooded with energy-efficient LED lighting and distinctly lit EXIT signs.

There are multiple varieties of storage units and spaces. We've built mezzanine storage in buildings with unusually high ceilings, for example. By using structural studs in all of our installations, we are

able to incorporate subway grating on top of the units over the aisles. The grating allows us to build an additional level of units on top of the bottom units, effectively creating double-decker storage spaces when needed. We have even transformed enclosed portions of unused parking garages into fully functional storage rooms.

Technology is a crucial component to our business and our progressive ability to better service customers. Each of our thousands of storage units is barcoded. We are able to scan all of our units on cell phones and instantly share a tremendous amount of information and images to our headquarters and building owners, managers and boards. Storage room maintenance is also a major priority; we allocate a substantial amount of manpower to the division that ensures our storage rooms are always looking bright and shiny.

Challenges inevitably arise in multifamily properties. When Superstorm Sandy hit in October 2012, we knew we'd have our hands full since the majority of our storage facilities exist in basements. I personally spent many weeks out in coastline areas with our crews. We started at Lido Beach and ended up in Brighton Beach, hitting every town in between. We went building by building, room by room and unit by unit. We helped tenants remove wet belongings, we removed floor inserts, sterilized the floor/truck beneath, painted floor areas and installed new plywood floors so that tenants could replace their valuables.

At Bargold, we are focused on the financial and storage needs of owners, property managers, supers, board members and tenants with regard to unused spaces. We build long-lasting relationships with our customers, taking the time to listen to them, understand their needs and most cost-effectively maximize the functionality of their bare, often dirty and forgotten-about basements. Although "contractor" seems to be a tough label to break through, once landlords and tenants understand our formula, most are onboard right away.

At a time when landlords find themselves financially constrained, the Bargold formula benefits tenants and landlords alike with an amenity that is high on the list of what tenants want. At the same time, we are able to assist with what landlords need, by producing a revenue stream without any financial outlay.

Jordan Goldman is an owner at Bargold, New York, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540