

# Real Estate Journal

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## Roof lifting is “on the rise” to transform structures into productive, marketable, and more valuable assets



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### Those who forecast

Over the years, it has been our observation that forecasts of future business conditions, like predictions of stock market performance, are generally provided by two categories of analysts. One group is comprised of those who analyze full-time as their profession. The other group is made up of working members of the industry under examination, usually during a cycle of disappointing activity, when time is available for such self-examination. The hope is to find an explanation for the sad condition, and the key to emerge from it.

The real estate market (again, like the stock market) has certainly endured its difficult periods, but has undeniably been rewarding for those who have possessed the staying power to succeed over the long term. Most seasoned veterans know that shifting trends, changing requirements, and economic conditions surely create dramatic swings in the real estate environment. Yet most agree that their ability to adjust to those changes, and to sustain viability during the lean periods, enable the more savvy participants to reap positive long term benefits.

The process of renovating buildings by lifting the original roof to a higher elevation began in the early 1970s and has been an important part of the effort to adapt to the inevitable changes in the nature of the real estate marketplace. That perspective affords us at Space Technology a vantage point from which an overview of the past may prove helpful in forecasting the future.

### The Past

Over the past decades, we have witnessed one trend that has had a staggering impact. Industrial structures that were originally intended to house primarily manufacturing and assembly operations, have fallen into disuse. Those buildings, often located in prime areas of labor and transportation, usually required little in the way of overhead clearance. Ceiling heights of 14 to 22 ft. clear were more than adequate.

More recently, the demand has shifted toward consumer-related usage, as opposed to strict production. Demand for storage and distribution operations, along with “warehouse-style” retail facilities, has dominated over that of manufacturing. This has created a “mismatch” between the type of building required, and those in existing inventory. In answer to that need, the process of roof-lifting was developed. A 24 ft. clear height became the apparent absolute minimum requirement. The ability to utilize the existing roof, intact with its lighting, heating, sprinkler systems, and other utilities, and lift them all undisturbed, has been a boon to those wishing to convert

obsolete structures into income-producing, marketable properties. The process is even applicable to situations where a warehouse must be occupied and its operations remain uninterrupted, throughout the procedure.

### The Present

Recently, we have noticed some encouraging signs regarding the near-term outlook. Admittedly, our perception is shaped by a narrower exposure than most, in that we are involved almost exclusively in renovations, rather than the routine sale of buildings “as-is.” However, we do have the ability to evaluate from our level of activity just how willing the owners, buyers, users, and developers are to invest in the future of their properties.

Increasingly, we have witnessed the growing realization that those old low-clearance structures are doomed to appeal to a severely limited, shrinking market. It has become obvious that in order to widen appeal, and attract users who value storage capacity, it is relatively easy and inexpensive to create more clear height. Even the older model of 24 ft. minimum clearance has been replaced by demand for ever-increasing heights. We now routinely are asked to provide lifting to clear heights of 28, 32 and even 36-40 ft.

This rising demand is a natural outgrowth of high land values, increasing alternative new construction costs, newly available forklift equipment, and the understanding that for warehouse users, once the square footage is in place, enlarging its cubic storage capacity

is the “bonus” that shapes the value of the facility.

### The Future

It would be naïve to forecast that real estate activity and value will enjoy a smooth increase during any given period of time. Yet the realistic expectation of growth over the long term is based upon solid history, and provides a basis for future planning.

The prediction as to whether economic conditions are about to require belt-tightening, or to allow for widespread expansion, is best left to those who either specialize in such analysis, or those who merely wish to voice an educated opinion. A prudent role is to prepare for either situation.

When conditions dictate consolidating large-scale operations into fewer locations, the ability to offer to create more useful space in a smaller footprint has proven eminently sensible. Alternatively, when the environment calls for enlarging capacity, it is of great advantage to be able to take advantage of existing sites without regard to their restrictive low ceilings. In either case, under-utilized or empty buildings are expensive liabilities. It is therefore clearly anticipated that ever-increasing applications of the roof-lifting process will transform such structures into productive, marketable, and more valuable assets.

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