

Making Money in Self Storage: The Condominium Model

Presenters:

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- What is a Condominium?
- Brief History of Condominiums in Ontario
- The New Act: May 5th 2001



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The Opportunity:

Section 49(3): No owner shall vote in respect of a unit that is intended for parking or storage purposes or for the purpose of housing services or facilities or mechanical installations unless all the units in the corporation are used for one or more of those purposes.



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Why condominiumize storage lockers?

- Units can be sold/transferred (add value, provide exit strategy)
- Units can be mortgaged (and flexible loan/equity financing opportunity)



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- Condominium property is managed by an elected Board of Directors
- Well established common expense collection framework, authorized by statute
- Controls and restrictions can be inserted in condominium creation documents, or by-laws and rules from time to time



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- Interest free reserve fund accumulations
- Possible to condominiumize existing self-storage sites



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How could self storage condo's change your risk profile?

1. If you are now managing a property for someone else, you are now a PROPERTY MANAGER which bring additional responsibilities
2. Knowledge of the Condo Act
3. Trust Accounts – Fiduciary Responsibility
4. Directors & Officers Liability Risk



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