

### Checklist 15.1

#### Acquisition Checklist for Industrial Property

<b><u>ACQUISITION CHECKLIST FOR INDUSTRIAL PROPERTY</u></b>	
Property address:	_____
Square Footage:	_____
Type of property / Present use / Highest and best use	_____
<b><u>1- OWNERSHIP</u></b>	
<input type="checkbox"/>	Owner's name
<input type="checkbox"/>	Listed by
<input type="checkbox"/>	Previously listed / how long / at what price
<input type="checkbox"/>	Reason for disposition / degree of urgency
<b><u>2- LOCATION</u></b>	
<input type="checkbox"/>	Determine boundaries of neighbourhood
<input type="checkbox"/>	Proximity to nearest city or metropolitan area
<input type="checkbox"/>	Proximity to major freeways / closest one / distance
<input type="checkbox"/>	Railroad siding
<input type="checkbox"/>	Trucking services / availability / rates / schedules
<input type="checkbox"/>	Distance to major airport / port
<input type="checkbox"/>	Proximity of raw material sources / delivery / storage
<input type="checkbox"/>	Nature of industry in area
<input type="checkbox"/>	Proximity of major markets
<input type="checkbox"/>	Radius of overnight shipping / distance / population
<input type="checkbox"/>	Public transportation
<input type="checkbox"/>	Location Rating: 1 to 5 (best)
<input type="checkbox"/>	Neighbours: types / compatibility
<b><u>3- LAND</u></b>	
<input type="checkbox"/>	Lot size / survey
<input type="checkbox"/>	Coverage
<input type="checkbox"/>	Expansion possible to
<input type="checkbox"/>	Zoning
<input type="checkbox"/>	Legal description
<input type="checkbox"/>	Parking / number of spaces
<input type="checkbox"/>	Topography
<input type="checkbox"/>	Truck turning radius
<input type="checkbox"/>	Landscaping
<input type="checkbox"/>	Lawn sprinklers
<input type="checkbox"/>	Easements / covenants
<input type="checkbox"/>	Pavement / type / condition
<b><u>4- BUILDING</u></b>	
<input type="checkbox"/>	Building dimensions and square footage / number of stories
<input type="checkbox"/>	Office dimensions and square footage / number of private offices / condition
<input type="checkbox"/>	Expansion potential
<input type="checkbox"/>	Floor plans
<input type="checkbox"/>	Multiple uses or special purpose
<input type="checkbox"/>	Age of building
<input type="checkbox"/>	General condition / functional obsolescence
<input type="checkbox"/>	Type of construction: concrete, concrete block, tilt-up, corrugated metal, other
<input type="checkbox"/>	Type of roof / condition / age / insulation
<input type="checkbox"/>	Type of floors / condition / thickness / load capacity / metallic hardener / sealant / densifier
<input type="checkbox"/>	Ceiling height under joists
<input type="checkbox"/>	Clear span / column spacing
<input type="checkbox"/>	Skylights / number / sizes / single or double pane

- Exhaust vents
- Air make-up units
- Wiring / voltage / amps
- Lighting / type / outside lights / photocells / foot candles
- Drains / number / size
- Toilets / number / location
- Sprinkler / fire protection system
- Burglar alarm / special locks
- Number of truck level doors / size / levellers / door cushions / condition / manual / electric
- Number of drive-in doors / size / manual / electric
- Number of rail doors / distance between each door
- Dock height / excavated loading dock (ramp) / covered (canopy)
- Inside shipping bay / depth / width / dock height / leveller
- Building rating: 1 to 5 (best)
- Energy saving fixtures / systems

**5- COMMUNITY**

- Property tax system and assessment rules
- Closest police department / fire station
- Closest medical and hospital facilities
- Schools, churches, universities, libraries, recreation facilities, etc.
- Business amenities / banks / restaurants / various suppliers
- State of neighbourhood / stable / deteriorating / improving

**6- DEMOGRAPHICS**

- Present population of area ethnicity
- Average income per family and family size
- Population growth trend / past 5 years / projected

**7- LABOUR MARKET**

- Total estimated employment
- Availability of skilled and unskilled labour / abundant / average / tight
- Union or non-union / history of strikes
- Wage rates / hours overtime / fringe benefits

**8- CLIMATE AND NATURAL HAZARDS**

- Temperatures / average / minimum / maximum
- Rainfall in inches / rainy season
- Humidity / average / minimum / maximum
- Prevalent winds
- Fog conditions
- Fire hazards
- Inundation hazards

**9- SERVICES, UTILITIES AND FUEL**

- Electrical power / connected / availability / connection charges / rates
- Natural gas / available / capacity / rates
- Water / source / flow / pressure / rates / chemical analysis
- Telephone / number of lines in place
- Oil / cost
- Internet (T1, high speed, dial-up)

**10- EQUIPMENT**

- Cranes / type / capacity in tons / height under hook
- Heating / type / age
- Air-conditioning
- Boiler(s) / type / BTU's / backup fuel
- Piping / air / steam / pressure
- Electrical substation / transformers / size / capacity / location / owned by / bus ducts
- Back up electrical generator / make / type / capacity / fuel
- Condition of equipment / obsolescence

**11- INCOME**

- Tenant's name(s) / tenant or sub-tenant
- Type of business / how long
- Capitalization of business
- Dun & Bradstreet rating
- Banking information
- Other financial and/or credit information
- Number of years remaining on lease / rent escalation / option to renew, at what rent
- Tax escalation clause in lease
- Exterior maintenance (by owner / tenant)
- Other clauses in lease (Option to Buy, Right of First Refusal)
- Annual gross / net income

**12- EXPENSES**

- Property taxes / date last appealed?
- Hazard, public liability and rental income insurance (classification) / coverage / premium / insurer
- Utilities / deferred maintenance / cost to remedy / reserves for replacements
- Legal and accounting fees
- Others

**13- EXISTING FINANCING**

- Original mortgage amount / term / amortization / starting date / due date / balloon payment
- Mortgage(s) balance / As of what date / monthly payments / Interest rate
- Yearly debt service / interest payments / principal re payments
- Lender / address / phone / fax
- Loan number
- Prepayment penalty, and special provisions, if any
- Loan locked in / until when
- Loan transferable / assumption fee
- Any second loan? Can it be bought at a discount? If so, what discount?

**14- POTENTIAL FINANCING**

- Mortgage commitment / amount / interest / term / payments / loan fees / loan points / lender
- Will Vendor take back a mortgage / amount / interest / due date

**15- PRICE**

- Asking price / total / per square foot
- Price per square foot of comparable buildings recently sold
- Likely sale price and Cap Rate

**16- EXHIBITS**

- Survey / site plan
- Building floor plan
- Photographs
- Area map with property shown
- Inspection reports (pest control, roof, building condition, environmental, mechanical systems)
- Certified operating statements for last 3 years
- Copies of leases and rental agreements
- Copies of management contracts

**NOTE**

*Inspect property carefully. Talk to neighbours. The bulk of the outside information can be obtained from 3 major sources: Planning Department, Chamber of Commerce, and Public Libraries.*

Remarks: