

Where There's Smoke...



There are many steps that storage operators can take to either prevent or contain fires at their facilities.

By Tom Comi

“Fire” is one of those words that can send shivers down the spine of a self storage owner. A blaze can completely gut a facility faster than it takes to watch an episode of the TV show *Rescue Me*.

But the right knowledge about how to prevent a fire, limit damages once one has started, and owning the right insurance policy can make all the difference in the world.

Just last year, a facility in Lancaster, Ohio, found out how fast fire can spread. In a matter of minutes, the flames spread from one unit to eight units at Graceland Storage Estates. Fortunately, the 36-unit facility was located only a block from the fire department, which was able to limit the damage and put the fire out.

“They were very lucky that somebody called the fire in and that we were so close by,” said Lancaster Fire Department Lt. Kurt Downhour, who responded to the scene. “We are still investigating the cause of the fire and have not ruled out the possibility of arson.”

Other examples over the past several years are enough to alarm every storage owner:

- Eight units were damaged in June 2000 at Chapel Hill Self Storage in North Carolina due to smoking.
- Four fire departments responded to a 2001 fire at Econo Storage in Carroll, Ohio, at which several units were either destroyed or badly damaged.
- A fire at Mansfield Self Storage in New Jersey had 26 units damaged from a three-alarm fire in June of this year. The cause was unknown.
- Trabuco Self Storage in California suffered \$1.5 million in damages after an August 2006 electrical fire ignited in their two-story building.

According to the *Orange County Register*, it took 70 fire-fighters three hours to fight the blaze at Trabuco Self Storage, which houses 1,000 units. About 60 units were damaged from heat, smoke and water. Insurance covered the damage to the facility, but it would not replace the irreplaceable personal belongings of their customers.

In an interview with the *Register* at the time, district manager RoxAnne Le Sene was at a loss as to what to tell her customers.

“I can’t fathom what a loss like this is,” she said. “Usually with a fire, it’s a single house, but this is...there are heirlooms...it’s just hard.”

Securing the Grounds

Believe it not, many fires can be avoided by the proper security. Whether its arson or negligence, a proper alarm system can keep unwanted people off your property.

“A majority of fire incidents I’ve dealt with at storage facilities were caused by arson or somebody doing something that was illegal,” said Downhour. “We’ve had situations where people were living in units and started a fire by knocking over a warming unit or by smoking.”

If a facility is in a secure area with a security system and fence, people will have less access and it will be more difficult to enter. Downhour said vagrants will often take over a vacant unit, because they are easier to access. A storage owner can prevent a lot of these cases by putting locks on the units they have yet to rent.

David Campbell of Georgia-based Britt Paulk Insurance Underwriters agrees security is an essential part of the risk reduction process. By using technology and management procedures to improve security, operators are actually eliminating and controlling the potential origins for fire, which lowers their risk and their insurance rates.

“From an underwriting standpoint, good security reduces the risk of arson and fires started by negligent tenants,” he said. “It makes a difference in what we charge when we know that there are security cameras, controlled access gates, fences and alarms.”

In addition to keeping unwanted people out, Campbell said facility management should do their best to remind customers of the lease agreements against storing hazardous or unsafe materials.

“One facility we know uses motion-sensor video cameras to monitor their indoor climate controlled units,” he said. “Each morning the manager reviews the DVR recording for activity. On one occasion, she identified a tenant loading five-gallon LPG tanks into a unit. Her prompt action eliminated a serious hazard.”

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Minimizing Damages

Fires are inevitable and unpreventable in some cases, but Downhour said there are many steps that storage owners can take to lessen the damage once a fire starts. They include building near a fire department, implementing fire breaks and using a sprinkler system.

“Owners should put in fire breaks to avoid fires from spreading,” he explained. “A concrete block wall will contain a fire to the area of origin for up to three hours and stop it from spreading to other areas of the building. Most fires are contained within 20 minutes.”

Sprinkler systems can be very expensive for a facility owner, and many facilities like the one in Lancaster opt to do without them. Downhour said it can cost more than \$50,000 to implement a sprinkler system when you factor tapping into the water system and the building costs.

Cost aside, he said a system can make the difference in being able to contain a fire or losing a building altogether.

“A sprinkler system can make a huge difference,” he said. “If it doesn’t completely put the fire out, it will keep the flames at bay until the fire department arrives. It’s also a selling point for renters. If somebody is storing expensive items, it is to their benefit to store at a place with good fire protection.”

Campbell concurred from an insurance standpoint, and emphasized that upkeep is very important.

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*~ Lt. Kurt Downhour,
Lancaster (Ohio) Fire Department*

“It’s important that all facilities with a sprinkler system have a maintenance contract to make sure all sprinkler heads are operable and the water flow is working to standards,” he said. “If a system is not maintained, credits to the rates may not be offered. In addition,

a poorly maintained sprinkler system can cause water damage problems due to leakage.”

While Campbell’s firm offers discounts for newly constructed facilities with sprinkler systems, their presence is a very important consideration for converted buildings not originally constructed for self storage.

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“Conversions present underwriters with unique fire characteristics, so project designers should always consider fire protection when conducting a feasibility study,” he said.

Owning the Right Plan

Britt/Paulk and most other insurance underwriters look for four components when considering an application for a storage facility. Campbell said they can be easily remembered by the acronym COPE:

- **Construction:** Includes the quality of the construction and use of non-combustible and fire-resistive materials.
- **Occupancy:** It is an owner’s responsibility to control what the tenants store. If your facility allows the storage of boats and cars, what safeguards have you taken to ensure that they are not additional fire hazards?
- **Protection:** What kind of security and fire prevention methods are you using (such as a sprinkler system) that will reduce your chance of damages?
- **Exposure:** Campbell explained that adjacent business properties may be the greatest hazard many

facilities face. Site location is very important. Can a fire at your neighbor’s property spread to your facility? Are your buildings spaced to minimize spread and allow fire trucks easy access?

Campbell noted that a commercial package policy covers most “causes of loss,” which included fire, lightning, water, vandalism, theft and water damage. Although many policies also cover against wind damage, they vary from state to state depending on the frequency of hurricanes and tornadoes.

A fire can be caused by many things, including faulty electrical systems, arson and carelessness. Campbell said his company tries to reward storage facilities that do everything they can to avoid such occurrences.

“The companies that receive the lowest rates are those who utilize the best construction, security and fire prevention,” he said. “For most facilities, decisions made in the design/built process will have a lasting impact on insurance premiums over a long period of time. However, even existing facilities can be upgraded to reduce the risk of fire losses with technology and management policies.” ❖

Photos courtesy of Jason Scott, firefighter with the Lancaster Fire Department in Lancaster, Ohio.



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