



**BLITZ IRE**

**COMPLETE  
STEP-BY-STEP  
GUIDE TO LEASING  
A PROFITABLE  
INDUSTRIAL  
PROPERTY IN  
THE USA**



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# INTRODUCTION

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## Introduction

Getting the right industrial facility is essential for the success of your operations in today's business environment. The facility you chose for the manufacturing, warehousing, or distribution of your goods must be able to meet stipulated quality, quantity, and production times for you to have a sustainable business and achieve a good return on investment (ROI).

The consequences of selecting the wrong facility range from minor inconveniences to catastrophic business failure. This is why thorough planning and execution are required to narrow down your options and find the best facility for your operations.

With so many industrial properties available today, it can be difficult for anyone, especially first-time tenants, to find and lease the right one. That is why we have simplified the complex processes involved in leasing a cost-effective and profitable industrial facility in this comprehensive guide.

Following the steps in this guide will assist you in ensuring that the facility you select will assist your business in achieving your desired growth and maximum return on investment (ROI). We recommend that you follow the steps in this guide sequentially as each step builds on the one that comes before it.



# STEP 1: ASSESS YOUR NEEDS

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## Assess and Document Your Needs

The first step to leasing a profitable industrial facility is assessing your needs for the facility. This starts with the identification and detailed documentation of the products to be manufactured, stored, or distributed.

The properties of these products will determine the type of facility you require. For example, the facility required for food production will differ from that required for building materials production. As a result, document the products in question as well as their characteristics.

You should also consider the volume of products needed for your business and the quality standards that must be met. This will help you in selecting a facility with enough capacity for a profitable operation. Consider your projected growth and potential capacity requirements too.

Assessing and documenting your needs will assist you in determining the type of facility you require, how much space you need, how long you need the facility, and so on.



Following the documentation of the type of facility needed, the next step is to set a budget and time frame for leasing your preferred facility. A budget allows you to plan for anticipated costs, avoiding overspending and underperformance. Both of which are detrimental to your company's growth.

Determine the minimum and maximum amount of money that will be used for your lease by consulting with all stakeholders. Also, consider the amount of time you have to find and secure a facility. Keep in mind the time it will take to set up your prospective industrial facility.



# STEP 2: FIND THE RIGHT LOCATION

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## Find The Right Location

The location of your manufacturing, warehousing, or distribution facility is critical to ensuring that your products are delivered to your customers on time and within budget.

Choosing a facility that's relatively close to your source of raw materials, employees, and customers will help you cut costs associated with shipping and transportation.

Make sure your chosen facility has adequate transportation facilities, as this is a critical factor in facilitating the movement of goods and materials to and from the facility.



Convenient access to transportation networks, including highways, railroads, and airports, should be prioritized when you're selecting a facility. The absence of any of these transportation networks required for your operations will necessitate the search for alternative networks, which may increase your overall production costs.



You should also consider the availability of utilities and infrastructure when choosing a location for your facility. Your chosen facility should have utilities, including electricity, water, and gas. These are important for the smooth operation of your facility.

The regional business climate is another important factor to consider when choosing a facility.

The overall business climate in a given region, such as tax rates, business regulations, and labor costs, can influence the cost and feasibility of operating a business in that region.

Make sure to evaluate these to see if they are suitable for the profitable operation of your business.



# **STEP 3: ENSURE REGULATORY COMPLIANCE**

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## Ensure Regulatory Compliance

Each industry has its regulatory requirements that must be met, and it is critical to ensure that any facility you are considering meets those requirements.

Make sure you fully understand the federal, state, and local regulatory requirements that apply to the products you're manufacturing, storing, or distributing. Then take these into account when deciding which facility is best for your business operations.

Facilities must have the necessary permits and licenses to operate, and it is critical to confirm this information before deciding.

For example, the Wisconsin Department of Agriculture, Trade, and Consumer Protection requires a retail food license or a food processing license for anyone to make and sell food to the general public.

Your physical facility must meet certain requirements, including having a commercial-grade kitchen, to [obtain any of these licenses](#).

Check that the facility you want meets the regulatory requirements for your industry, and request documents or proof of compliance from the facility owner or manager.

Non-compliance can result in fines, penalties, and bad publicity.



# **STEP 4: EVALUATE YOUR POTENTIAL FACILITY'S CAPABILITIES**

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## Evaluate The Facility's Capabilities

This is where you compare the capabilities of your prospective industrial facility to your requirements. This should be simple because you've already documented your requirements.

You simply need to look for specific infrastructure, amenities, technology, and so on that are required for your business operations.

Your prospective facility should be able to handle the production, storage, or distribution of your goods with the required quality and capacity, as well as with a reasonable lead time.

Look for a facility that has experience processing your type of goods if possible. This will save you the time, strength, and money required to customize the space to your specifications.



Make sure you evaluate the quality control infrastructure in place, as well as the cost of establishing one if none is currently in place.

# **STEP 5: ASSESS YOUR FINANCIAL VIABILITY**

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## Assess Your Financial Viability

Examine the costs associated with the facility to see if they are within your budget. This should include long-term upkeep and maintenance costs, as well as applicable fees such as legal fees, insurance, licensing fees, and so on.

If you've done your budgeting with your company's stakeholders correctly, the right facility that fits within your budget should also work for profitable short and long-term business operations.





# STEP 6: GENERAL CONSIDERATION

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## General Considerations

You should pay special attention to the size of your industrial facility. You don't want to lease a facility only to discover that you have way more or less space than you need. Overspending on commercial leases can strain your company's finances.

The amount of inventory and the type of machinery used primarily determines the size of industrial space needed. A larger space will be required if you have a lot of heavy machinery.



Take special care with the layout of your facility. You must make sure that the property has enough space for your equipment as well as for your employees to move around and perform their duties.

Another factor to consider before leasing an industrial property is labor force availability and requirements in your area of interest. The unavailability of labor will likely harm your business operations, which will have a knock-on effect on your business performance.

Different states in the United States have different labor requirements. Check the labor requirements in your area of interest to make sure your company can meet them. Wisconsin, for example, has the "[Labor Standards](#)."

Consider supply chain logistics and the risks associated with them when selecting a suitable facility.

Complex sanctions and regulations, demand planning complexity, geopolitical risks, and other factors can all affect your business.

Growth and expansion are constants in a successful business, and when selecting a facility, you should consider your potential for both. Examine your growth projections and consider them when choosing a suitable facility.

For example, if you intend to expand your business soon, you should select a space large enough to accommodate your future needs as well as a longer lease term to avoid having to move. This will give your company more stability.



# STEP 7: DUE DILIGENCE AND RESEARCH

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## Due Diligence and Research

Search engines or commercial real estate websites can be used to find industrial facilities.

Although search engines can assist you in finding properties in a specific region, online listings on commercial real estate websites such as LoopNet and Costar provide more advanced options for finding properties that meet specific criteria.

You can, for example, look for properties that are a certain size, have a certain number of loading docks, and are located in a certain area.

You can ask industrial facility owners or managers for references and testimonials to determine how beneficial their properties have been to other business operators like yourself and how your relationship with the owners or managers will be if you lease their property.

Viewing the property that interests you online is not enough for you to decide to lease it. Schedule site visits and facility tours to inspect the property in person. The online information about the property may omit some details that are important to you and your business operations.

This can be by mistake or deliberate action on the part of the facility owner or manager to deceive interested parties. Make sure that the property includes all of the necessities for the successful operation of your business, and don't compromise on any.



Once you've decided on the best industrial space for your company's operations, you can begin carefully reviewing contracts and legal documents.

It is strongly advised that you seek the advice of a professional or completely outsource this task to them as it can be overwhelming, especially for a non-professional. A solicitor, for example, will walk you through the legal process and point out opportunities that you might have missed otherwise.

You must make sure that every clause in the lease agreement is suitable for long-term projection and that all risks are considered.



# **STEP 8: MAKE YOUR DECISION AND NEGOTIATE**

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## Make Your Decision and Negotiate

Once you've narrowed down your options for the best properties for your business, you'll need to make a shortlist of these properties and request lease proposals from their owners or managers.

A lease proposal is a document used by the landlord or property owner to respond to your inquiries about the terms and conditions or provisions of the lease that you will be considering.

This proposal should include information such as contract terms, the type of commercial lease they're offering (whether gross or net lease), your rentable square footage, load factor, operating expenses, and so on.

The next step is for you to consider the pricing and contract terms. Review these with other stakeholders of your company to determine if they're a fit for your business. Feel free to negotiate the pricing and contract terms presented to you until you find something that works for you.

Although it is not compulsory, it is strongly advised that you seek the advice of a licensed commercial real estate agent when reviewing the contract and terms of your potential lease.

Conduct a final walkthrough of your facility of interest to ensure you haven't overlooked any crucial business requirements before signing a contract. Once you're satisfied with the pricing, contract, and terms presented to you or negotiated, sign your lease.





# STEP 9: POST-CONTRACT CONSIDERATIONS

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## Post-Contract Considerations

Following signing your lease, you must create a production plan and schedule for the setup and use of your new industrial space.

You should also go over the certifications and quality control procedures that are required for you to start your business without any problems.

Schedule regular facility inspections and checks to ensure that your facility is in good enough condition to support your company's successful operations.

Also, perform facility maintenance and repairs as soon as they are required. This will help to ensure the long-term viability of your industrial facility.

Maintain open communication with the party who owns or controls the property. Let them know if you have any questions or concerns, and try to resolve any issues that may arise because of your facility's use amicably.



# FINAL THOUGHTS

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## Final Thoughts

The importance of leasing the right industrial facility for the successful operation of your business cannot be overemphasized.

Following this guide will assist you in quickly finding and leasing the most cost-effective facility with a high return on investment (ROI).

If possible, we recommend that you follow these steps with the assistance of a professional. They'll make the process even easier for you and ensure you get the most value out of your lease.

If you are looking to lease a manufacturing, warehousing, or distribution facility in Wisconsin or Ohio, please [call](#) or [email](#) our licensed professionals for FREE.

You can also follow us on LinkedIn for the most up-to-date information and resources on leasing a profitable industrial property and making the most of it.

For a limited time, you can download our [FREE interactive essential industrial property leasing checklist](#) to ensure you don't overlook any of the steps outlined in this guide.



**THANK YOU**

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