

## **Buildings Are Assets**

The physical building is one of the most under appreciated works of art in the world today. Through a number of architectural drawings, contractors from numerous fields work closely with one another to create a reality from one person's vision. Thousands, sometimes even millions, of dollars are invested into these structures, yet many of these go unsupervised and are not properly maintained. Why is it that the owners and occupants of these buildings so frequently overlook the problems associated with poor upkeep and shoddy construction practices? The everyday business owner continues to cut corners when it comes to building maintenance in an attempt to save money. Many problems can go unnoticed for long periods of time. These problem areas continue to worsen until the need for a fix is apparent. When this is the situation, the costs associated with repair often rise.

Although assets and properties – physical land and structures – are often placed in separate categories, the two are indeed the same. Both have the same characteristics – the ability to transfer ownership, an abstract monetary value, and each provides the user with some level of usefulness, safety, or enjoyment. The largest investments made by many companies in the United States come through the acquisition of buildings and properties used to accommodate business operations. An attractive, well-maintained property is sometimes the key to attracting clients. It has been said that one should not judge a book by its cover, but the business's physical property is the first thing seen by its customers. We all know that when it comes to the retail business world, the first impression is directly related to the sale. The impression that is made upon the customer through the care and maintenance of the property will reflect upon the company's care and maintenance for the relationship that is created between the customer and the company.

Suppose the property is not a retail or service outlet but instead is a warehouse or production facility. All employees should be provided with a safe environment that perpetuates the desire to perform. A facility that is not well-maintained may lead to higher rates of employee turnover as well as more mistakes and accidents on the job. The cost of interviewing applicants for a vacancy, not to mention the cost of training a new employee, results in the expenditure of time and resources that could be better used in enhancing the capabilities of a business. Allowing an employee to operate in a stress-free, well-maintained environment will lead to an increase in worker morale, and it enables the full-on focus unto primary duties as the employee is not distracted by an unsafe, unclean working area. Managing a more reliable, intelligent employee better ensures that assets are properly supported. These employees are found by providing a healthy, sound working environment to the work force.

A business entity will do everything within its power to nurture its assets, being sure that all processes are done appropriately, safeguarding them from unforeseen troubles, and often re-inspecting the finished product for quality assurance. The physical building is normally the largest single asset that any company possesses. The building that a company occupies is sometimes valued at twice as much as the profits of the company that occupies the building. The location of a property alone can often lead to enormous revenues for a company, but a good location alone will always lead to higher returns on the resale of a property. Still, with all of this made well aware to the intelligent entrepreneur, many properties continue to deteriorate to the point that repairs are necessary. As previously stated, repairs that become necessary often incur higher costs or even result in the replacement of the system entirely.

The same trend holds true for the housing market as well. Home repairs that go overlooked will tend to cost more when it is deemed that a fix is necessary. Fixing the loose plumbing fixture in the bathroom will only result in a small charge, but if the loose fixture goes untouched, it may result in structural damage requiring the need for new flooring installed. A problem that may be fixed in a few hours' time can sometimes turn into a large project that may call for several contractors.

What is important to take from this document is that buildings are extremely valuable assets that need to be nurtured as any asset would. A log should be maintained detailing the maintenance performed on structures and equipment. A list of projects should be made, noting the priority, importance, and relevance of each. All occupants of the building must be aware of their surroundings and make aware any issues that pertain to the property. A little extra effort placed into the property can lead to lower maintenance expenses and a higher return on investment. Nobody is interested in investing extra money into a project that could have been completed at a cheaper rate if it had been made a priority, yet there are thousands of cases in which an issue was curtailed until it was apparent that a fix was needed. The problems associated with delaying repairs are: a more constricting time frame for repairs, the immediate acquisition of materials, and the necessity to have adequate labor available. All of these factors play into the higher costs associated with delaying repair.

Many operations do not have the capability to monitor all facets of a property while maintaining its current level of operation. This is the leading reason facility management firms have been contracted. Facility management firms allow the business to focus on its priorities whilst being sure that the building and surrounding property will be appropriately cared for. A facility management firm provides the owner of the property with the assurance that all matters pertaining to the property will be properly tended to. Facility managers also work to lower operating and maintenance costs through their use of multiple contractors, expertise in construction practices, and developing technologies. Many facility management companies also offer facility consultation, allowing the owners and operators of a property to sit down with a professional facility manager and formulate a system of procedures to ensure that the facility is run optimally.