



CELEBRATING
55 YEARS

nerej

Spending money on properties and how it adds value

May 15, 2014 - Connecticut

Hello everybody, welcome to May. Although it is raining at the moment outside my window (of course it is, it goes with writing this article every month) the weather here in the Hartford area is continuing to get better. Not only have we seen the 70's a few times on the thermometer, but there is an 80's in the 7-day forecast!

I had talked a little bit in the past few months about catching up with maintenance after the long winter season. As I see landscapers, pavement contractors, and concrete repair companies by the droves these days, we are obviously in that mode.

This month I wanted to talk a little bit about a touchy subject amongst building owners and managers, spending money. Depending on where you are in the chain, you may hate having to spend money, or you may love it. But one thing is for sure it is a necessary evil if you hope to stay competitive.

Your finance people may cringe when you tell them how much you plan to spend for that new parking lot. Your owners might need a little comforting when they find out how much the HVAC upgrade you want to undertake is going to cost.

On the other side, your property manager will probably love the fact that the HVAC upgrade is happening. Just think of all the temperature complaints they are not going to hear anymore. And the new parking lot? Fantastic, no more slip and fall calls!

Of course you can help ease the pain of "sticker shock" for your owners and managers by doing one monumentally important thing. Be smart about your money.

You needed the HVAC upgrade. Your old equipment was constantly breaking down, resulting in numerous tenant complaints requiring too many expensive hours of technician time to count! So you do it the right way. Make sure you are working with the right people. If you have the right partner for your project they will know how to save you money. They will know what utilities or State Programs are offering incentives. Maybe this piece of equipment that you need costs \$5,000. But maybe there is a more efficient model available. It might cost \$6,000, but it might also have an incentive that will cover up to 50% of the installed cost. So not only will you save on the up front cost, but now you may have just lowered your expected energy costs over the lifetime of the equipment.

And how about that parking lot? Do you need to demo and replace the parking lot right down to the process? Or can you do some patching and stretch a little more useful life out of it? Or will that extra year wind up costing you more in the long run.

Knowing things like this is the lifeblood of operating a successfully property. As I mentioned, spending money on your properties is a necessary evil, but when done with the proper amount of information, knowledge, research and good old fashioned know-how, you can make the asset that much more valuable, make your life that much easier, and make yourself look that much better. And speaking of looking better...let's take a closer look at what's going on with Greater Hartford BOMA.

On April 24th we had a fantastic program on Connecticut's C-Pace Program. C-PACE allows building owners to finance qualifying energy efficiency and clean energy improvements through placing a voluntary assessment on their property tax bill. Property owners pay for the improvements overtime, through this additional charge on their property tax bill and the repayment obligation transfers automatically to the next owner if the property is sold.

At the program, Genevieve Sherman from the Clean Energy Finance Investment Authority (CEFIA) provided some great information about the program. She filled us in on the details of the program as well as shared a few of the projects that have been completed. Genevieve was joined by Joanna Hunt and Julia Lombardo, president and controller respectively, for Shagbark Lumber and Farm Supplies. Shagbark is in the process of completing a C-pace funded Solar Project which will provide 100% of their power. Thank you to Linc Thompson and VI Facility Services for sponsoring this program for us.

On May 15th our annual golf warm-up event, Nine/Wine/and Dine was held once again at Wintonbury Hills Golf Course in Bloomfield.

Coming up in June will be a walking tour of Hartford, and later in the year look for a tour of the new Jackson Labs facility being built in Farmington, and a return of the TOBY awards!

And in July we will be back out on the links. Our signature golf event, the Annual Gus Johnson golf outing will be at Avon Golf Club once again this year on July 14th. We hope you can join us!

And please don't forget, we can always use your help to make our group stronger. We have committees that could use a little help, we have sponsorship opportunities available, and of course we are always happy to welcome in new members. Feel free to stop by and check us out at www.bomahartford.org/

Wes Nicoll is the president of BOMA Greater Hartford, and is with Griffin Land, Bloomfield, Conn.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540