

July/August 2019 - WOLFE REALTY SERVICES IN THE NEWS

Putting Up a Good Front

By Michael Wolfe

When it comes to Local Law 11 facade repairs, it doesn't pay to scrimp on spending.

Local Law 11 is one of the biggest expense items boards must contend with. How can they get the job done well — and cost effectively?

Basically, by taking a comprehensive approach. As buildings age, the repair work and the scope of it expands. When you're preparing and doing inspections, you shouldn't limit it just to the envelope of the building. You should also look at your grounds, bulkheads, and other things that may not be included in the Local Law 11 codes. They should be incorporated into the job so you're not completing your envelope repairs and then noticing that, say, your sidewalks are heaved in and additional work needs to be done.

It's also very important for boards to look at what their past cycles revealed. Then you can plan your financing structure. Do boards tend to cheap out on this?

Sometimes they do. An architect or engineer performs the inspection and comes back with a scope of work, and a board will ask, "What's the timing on this?" The board will be told what has to be done immediately and which work should be done in the next two or three years or the next five-year cycle. But doing it all at the same time — within reason — saves money because you don't have to pay repeated mobilization costs. How much money would you save?

The bigger the job, the more you save.

With a project costing \$500,000 or more, you could probably safely say that with the filing fees, mobilization, scaffolding, sidewalk sheds, and

things like that, the savings could be anywhere from 7 to 12 percent of the total cost of the job. Isn't it still a challenge coming up with financing?

Some buildings are fortunate enough to have a large reserve fund, while others might have smaller reserves but a line of credit.

The bottom line is, you need to have a capital campaign or fees for unit-owners and share-holders not only for Local Law 11 but for other infrastructure and aesthetic issues, such as elevators, lobbies, hallways, and carpeting.

However you pay for it, deferring repairs isn't wise because it only makes things more costly down the road. If you have some cracked brick that is minor in nature, that's only going to get much more severe, especially with the crazy weather patterns we've been having. It could also lead to unsafe conditions and open you up to risk.

Any final words of advice?

Do everything possible on that facade, not just to give your building a clean bill of health at the moment but to avoid having to revisit issues down the line. If you're dropping a scaffold on the A line, you should do everything that's possible on that line. Don't just fix leaks, but address potential leaks. Or if you waterproof a small area, you've now introduced a new element that might redirect water to areas without waterproofing.

I'm not recommending that you re-skin a building, but you should never sacrifice overall quality to save a little money.