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**Media Contact:**

Jennifer Beidle

314-607-9459

[jennifer@jbeidlepr.com](mailto:jennifer@jbeidlepr.com)

## **Budget Secrets Revealed: Western Specialty Contractors Offers Property Managers Tips for Building Exterior Budget Season**

(St. Louis, MO, Oct. 24, 2019) As the fourth quarter of 2019 approaches, building managers are ready to face their budgets for the coming year.

Western Specialty Contractors offers a variety of tips for successfully dealing with budgeting and communicating with property owners about the importance of ongoing maintenance and capital expense planning.

**Collect data all year long.** Tanya Shepard, Regional Business Development Manager for Western Specialty Contractors, recommends keeping a running list or folder of information throughout the year. “Anything that comes up during the year that wasn’t in the budget for 2019 goes into a folder for consideration for 2020,” she says.

**Get contractor assessments.** Reach out to contractors when starting the budgeting process, asking them to do an assessment of building components such as the HVAC systems, building facade, parking garage and other areas.

**Set priorities.** Contractor reports can help a building manager decide what needs immediate attention in the next budget and what projects are forecast for the next five years and can be included in future capital budgets.

**Start with income.** Begin the budget process with the income that will come in from the property's tenants. Add fixed expenses such as taxes, janitorial, regular maintenance contracts and then add the fixes needed for the year. This will provide a clear picture of cash flow for the building so managers and owners can decide how much will go back into the building's maintenance projects and capital improvements.

**Create a separate capital budget.** If projects exceed cash flow expectations, put them into a capital budget and talk with building ownership about their priorities. Capital projects are usually larger activities that will extend the life of a particular component of a building.

**Provide owners with a project wish list.** Building managers should give their owners a reasonably sized list of projects for the building. Prioritize the list by importance so owners can understand the needs for the most critical items first.

**Rely on a contractor.** A good contractor can walk the property manager through the details of a project so they can communicate more effectively with ownership about the importance of including necessary repairs and replacements in the budget.

**Prepare a contingency budget.** Property managers don't always know what's going to happen to their building in the budget year. Put funds away for those items that come up unexpectedly. The amount set aside can be determined based on the history of repairs in previous years.

**Know the condition of building components.** Understanding the current state of the building envelope means knowing the useful life of each area and when it was originally installed. This will help a manager explain the cost of proactive maintenance versus reactive maintenance to owners.

"Educating the client - the property owner - about the importance of your priority projects is probably what gets missed the most during budget season," said Shepherd. She suggests making sure explanations are clear and asking for a sit-down meeting with ownership so they understand the pros and cons of not placing a particular project in the coming year's plans.

She notes the item that often gets missed in budgeting is facade repair. “Most buildings will already have an HVAC, elevator or roof budget and a capital plan in place, but they rarely have a capital budget for their facade,” said Shepherd.

The facade of the building has a useful life and when it comes to the end of that time period, it can be a big expense to take on projects like re-caulking or refreshing all four elevations of a building and sealing windows. An anticipatory capital budget can keep ownership aware of the big picture for upcoming repairs and replacements.

For assistance in creating a budget for exterior maintenance, contact the Western Specialty Contractors branch location nearest you: <http://www.westernspecialtycontractors.com/western-locations/>.

#### **About Western Specialty Contractors**

Family-owned and operated for more than 100 years, Western Specialty Contractors is the nation’s largest specialty contractor in masonry and concrete restoration, waterproofing and specialty roofing. Western offers a nationwide network of expertise that building owners, engineers, architects, and property managers can count on to develop cost-effective, corrective measures that can add years of useful life to a variety of structures including industrial, commercial, healthcare, historic, educational and government buildings, parking structures, and sports stadiums. Western is headquartered in St. Louis, MO with 30 branch offices nationwide and employs more than 1,200 salaried and hourly professionals who offer the best, time-tested techniques and innovative technology. For more information about Western Specialty Contractors, visit [www.westernspecialtycontractors.com](http://www.westernspecialtycontractors.com).

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