



## When is an Old Building Old?

When is an old building old? That question isn't the same as, "When do I sell my old car?" Unlike aging automobiles, computers, furniture, etc. aging buildings provide building owners with a few options that can become reinvestment opportunities but first, "When is a building old and at the point of being a financial asset or is it becoming a financial liability?"

Referring to our June 2019 *Focus on Facilities* Asset Management column, "[Facility Assessment = Your Building Condition Index](#)" and our February 2021 column, "[Master Planning and Asset Management](#)" one can begin the process of understanding the existing conditions of an older building. When this building begins to show signs of financial liability building owners should put together an asset management team to study the issue under the theme, "What is our best building decision for this site?"

The options are:

1. Tear down the structure and construct a new building on the site
2. Complete a modernization of the existing building
3. Implement a "change-in-use" to the building
4. Renovate the building and add-on

Certainly tearing down an old building provides the building owner with an empty site to construct a new building on this site but with issues of concern:

- Is the soil on the site contaminated?
- Are there historical zoning rules that could interfere and/or delay the construction of a



new building?

- Are there recent zoning regulations that could interfere with a proposed new-use facility?
- Is it more practical to simply sell the building and remove it from the owner's inventory of property assets?

Completing a modernization of the existing building may be a first-cost opportunity versus the other options that the building owner will need to question:

- Will this modernization be a retrofit or a renovation?

A retrofit is considered implementing improvements to the building so that it is more energy efficient with a return-on-investment (ROI) over a predetermined period of time e.g., 6-year ROI.

A renovation is considered a renewal initiative to-make-new with interior building alterations to improve the building use, improve occupant, bring up to Code, and to make it look new again.

- Will this modernization be a combination of both retrofit and renovation?

Consider change-in-use of an antiquated building from its current application, e.g., K-8 classrooms to another facility application, e.g., apartments. A building committee will be needed to study the building application opportunities with questions to be asked:

- Are there historical zoning rules that could interfere and/or delay the renovation of this existing building?
- Are there zoning regulations that could prevent a proposed new-use for the facility?
- Is there a financial incentive to complete a change-of-use construction project and then sell the newly renovated facility, removing the current owner's building assets while making a profit on this building application?

Renovating the building and adding on to the existing structure can also be an attractive building program incentive for a building owner.

Considerations include:

- Making use of the existing facility while modernizing the building; investing in building energy efficient retrofits and/or replacement of these building systems with the latest in infrastructure technology
- Expanding the building to serve a larger use/application e.g., increase lease space for further profit

Certainly, there is a lot more discussion, consulting, research, and financial assessment that goes into

“When is an old building old” but the above information can get a building owner thinking about options.

Historically reusing a building and modernizing it will be less costly than tearing this facility down and building new of the same size or possibly larger. If larger is a priority, existing buildings can expand vertically, as well as horizontally without tearing the building down. It is also important to note that old buildings often have unique architectural character when compared with its proposed replacement.

Examples of “characters” in architecture consists of:

- Functional Character e.g., fulfilling the application needs of the building
- Associated Character e.g., blending in with other architecture design of other buildings of its era within the community.
- Personal Character e.g., security, spiritually, art deco, high tech, etc.

So, when comes to asking the question about a building being old, there are financial options that can preserve the image of the facility that is in question. New is not always better. Once a beautiful facility is gone there is no way to replace the history of the structure, the stories it could tell you if it could speak, or be replaced with a building that represents the past.

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