

Acquisition Costs put in perspective



Sacramento International Airport



Oakland Museum of California

Stainless steel buildings are quite durable. The dome of the Chrysler building in New York is a great example. Having only been cleaned twice since its construction in 1929, there is no doubt that it will continue to perform its duties until such time as the building is taken down. Before the reader dismisses stainless steel as a building material because they do not intend to be around as long as the Chrysler building, there is much more to consider.

Stainless steel buildings are cheap to operate. Enveloping a building in stainless steel can lower energy costs compared to more common materials. There is no doubt that the investment in a stainless steel building returns on a more rapid timetable than previously thought.

The truth is stainless steel costs more to install on a building than many other materials that are typically used in construction. Before the building owner can assess any return on investment in understanding of what to expect in terms of acquisition cost needs to be established clearly relying on professionals, including architects and contractors is warranted, but our discussion here has merit to provide a framework of expectations.



96th Street Station, New York, NY

On a large scale building a stainless steel roof or wall system might only affect the project's cost by a few percent. Put in perspective, the building exterior has a major impact on the appearance of a building and its perceived value. It also accounts for the significant share of the building's maintenance expenses. The proposition is simple. Spend a few more dollars now in order to save a great deal later, all the while maintaining a higher property value.

If painted aluminum could be obtained for as little as \$2 per square foot in the case of the roofing system, an upgrade to stainless steel would add about four dollars per square foot to the cost. On a 100,000 square-foot building, that adds \$400,000 to the construction cost. While that is certainly a large amount of money, it is only 2% of the cost of the building using a construction cost of \$200 per square foot. The upgrade to stainless is an even lower percentage on higher-cost buildings like hospitals and hotels.

While you might still be thinking \$400,000 is a large amount of money on a \$20 million building, there are many ways stainless steel returns on the investment. First and foremost a stainless steel building skin contributes an R value of 20 to 30, which means the building will either use less energy or require less insulation in its construction. Stainless steel buildings need only be cleaned periodically to maintain their original appearance. Some owners of stainless steel buildings have measured the cleaning intervals in decades, allowing them to reduce maintenance expenses as in the cases of the Chrysler and the Sacony Mobil buildings in New York. Owners can reduce damage losses since stainless steel has excellent fire and hail resistance, not to mention the ease to which graffiti can be removed from its surface. There is no doubt that when the building owner decides to sell the property, a stainless steel exterior will be a major selling point, which means stainless steel buildings help the owner maintain property values.