

Rethinking Financing Methods And Reflective Roofing Materials

Matt Stansberry

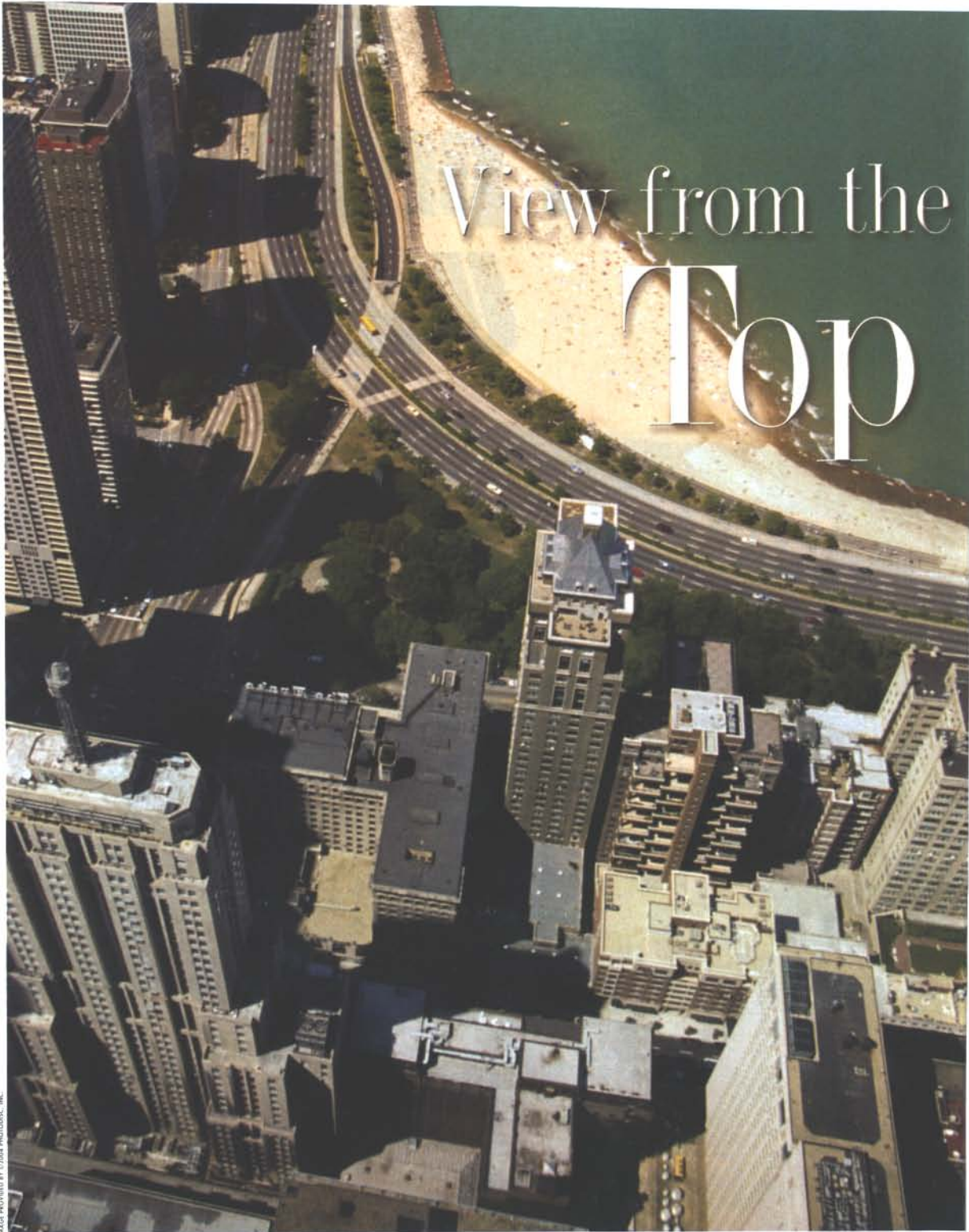
The roofing system of a commercial facility endures a thankless existence. So often out of sight and out of mind, a roof is only noticed when it causes a problem. The regulatory problems associated with a roof have

been extensive, including legislation against the use of ozone depleting CFCs and the Urban Heat Island effect. Manufacturers have worked with tighter regulations to bring improved product performance to the industry, along with new ways to look at environmentally friendly roofing solutions.

To quote John F. Kennedy, "The time to repair the roof is when the sun is shining." Yet, a major commercial roof replacement averages approximately \$1 million, according to Craig Magginess, director of contractor services for Denver, CO-based Johns Manville. Often times, these significant expenditures come up without the planning facility managers would like to have behind them.

Single Source Responsibility

The Capital Guard program from Johns Manville attempts to alleviate the problems associated with coordinating a major roofing project. Capital Guard bundles the materials, contracting, and financing into a single solution



View from the
Top

IMAGES PROVIDED BY CISION PHOTOBOOK, INC.

Retrofitting or building a roof can become a daunting task for facility managers. However, roofing manufacturers are looking to create a more convenient experience for end users by delving into the financing realm.

"In a traditional roof replacement program, financing isn't provided [by the roofing materials manufacturer]," says Magginess. "You could go to a bank and pull down a line of credit with a mortgage. But the problem with third party financing is that if you go to a bank, they're only connection to the project is the lending."

Obviously rates vary with the credit of the borrower and the terms of the loan, but in round numbers, most of the deals under the Capital Guard program have been in the 5.5% to 6.5% range, according to Magginess, without any security on the real estate.

"If you go out and borrow unsecured money from a bank, you're going to be north of 10%," he says.

A lot of companies will turn to phased construction if they do not want to allocate the cash all in one year. The company puts together

a three or four year program, and that is the traditional way to spread it out. But according to Magginess, companies will face inflation costs, restaging costs, and remobilization costs with the contractor.

"If you're looking at a roof that you need to replace now but you're phasing it out, you have repair costs involved just to keep the roof up and running. You avoid those as well just by doing it once and capturing it all under a single guarantee," he says.

Facility executives can get more continuity, better quality control, and job feasibility, considering the risk of failure.

With this new financing method, the supplier will have a vested interest in making sure the project is done right and done well. The program places all responsibility on the

provider. The worst case scenario for Johns Manville would be a problem developing with the roof itself before the manufacturer got paid for the job.

PIMA Takes Another Look At Reflectivity Standards

The Polyisocyanurate Insulation Manufacturers Association (PIMA) was formed initially in response to significant environmental issues relating to CFCs and ozone depletion. According to PIMA's President Jared Blum, the approach to the association early on was predominantly assessing the environmental and economic benefits of polyiso insulation and convincing the U.S. government that the industry needed a reasonable amount of time to phase out CFCs.

CFCs were eliminated from the product in 1993. From 1993 to 2002, manufacturers switched to HCFCs—still an ozone depleter, but 90% improved. In 2002, manufacturers switched to pentane, which has zero ozone depletion and zero global warming.

“To maintain the physical and thermal integrity of the product and still have developed two blowing agents in 10 years speaks highly of the commitment of the product manufacturers and their suppliers. They are very proud of what they’ve done, to be able to make this transition twice.” says Blum.

Now the role for PIMA has shifted as the advocate of heightened product performance. Since the initial goal to eliminate ozone depleting materials from polyiso foam has been met, the organization has taken on education of the facility management community with regard to misconceptions about reflective roofs.

“The thermal performance of a building works seven days a week, 24 hours a day,” says Blum. “Reflectivity is qualified based on geography. For areas in this country, like Chicago or Minneapolis, to have a white roof during cold weather seems counterproductive.”

Blum warns against downsizing thermal insulation values in favor of using a reflective roof. “Two to three years later, your reflectivity is impaired by dirt, algae growth, and fungus. You lose on both parts of the equation. You’ve downsized your insulation, and you no longer have the reflectivity that you counted on,” he says.

Blum concedes that facility managers should explore reflectivity as an option. It is PIMA’s view that implementing a successful roofing system requires more than one element to work properly.

“All construction has economic underpinning. If you think you can do the roof a little cheaper, and someone has told you that you can save energy and cut back on insulation costs, it’s an attractive shell game. We believe it’s a losing deci-

sion in the long term,” says Blum.

In the end, facility managers will need to ask the hard questions. How much is this roof going to cost to maintain? Can it be cleaned

effectively? The best bet may be to determine the returns from reflectivity while also implementing polyiso foam to retain the thermal integrity of the building. 🏠

Are you in the market for a new roof? Have you faced any challenges with reflective roofing materials? To find more perspectives on the reflectivity debate, read past articles on roofing issues on the Web at www.TodaysFacilityManager.com. E-mail comments to mstansberry@groupe.com.
