

How are you handling climate obsolescence?

Thursday, April 18, 2024

Climate change has factored into the growing number of extreme weathers across the world. Extreme weathers have become more commonplace for everyone regardless of race, culture, class, political views, etc. Extreme weathers have resulted in more damage, significant destruction, and higher costs to many communities. But the biggest issue facing many governments, individuals, and organizations is whether properties occupied, owned, and operated are strong enough or sustainable to withstand the growing number extreme weather throughout the world. The question is whether your property is experiencing climate obsolescence?

What is climate-obsolescence?

Climate-obsolescence is the process of a structure or facility no longer considered suitable for handling the growing threats, concerns, or impact of extreme weather caused by climate change. These threats include, but not limited to

- Growing wildfires,
- Extreme winds,
- Flooding,
- Hotter temperatures, and
- Colder temperatures.

Why does it matter?

Climate obsolescence can impact or even hamper the operation of the property. Increased expenses such insurance premiums, energy bills, and maintenance costs can impact the property owner's finances to the point of financial distress and risks. Another group impacted are the occupants of the properties such as residential or commercial tenants who may have to absorb the trickle-down costs associated with climate obsolescence.

Failing to take proactive action to address climate obsolescence could impact finances for everyone associated with the property. Potential relocations that could prove more costly and changes the demographics and character of the area is something that needs immediate attention. Another issue Legal implications could impact property owners who chance it by deferring actions to minimize the effects of climate obsolescence.

What is next?

There will need to be an honest discussion about climate obsolescence and its impact on the properties within the communities. There will need to be a coordinated and collaborative effort among individuals and groups across different industries to come up with solution to minimize the impact of climate obsolescence. These efforts for existing properties will include developing plans that minimize risks to residential and

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commercial tenants. As part of any new construction, proper planning, designing, and implementation will need to be considered to minimize climate changes impact from extreme weathers that create climate obsolescence.

It will not be cheap, but continuing to delay addressing climate obsolescence will prove more costly to everyone. There is a saying in the auditing and fraud profession, it is cheaper to take preventive action than it is to take corrective action. Which action will you take in addressing climate obsolescence for your property?

For Deeper Context

For questions, comments, concerns, or need clarification, please contact info@ccompliancegroup.com.